



PLACER COUNTY  
**SHERIFF**  
CORONER-MARSHAL



MAIN OFFICE  
2029 RICHARDSON DR.  
AUBURN, CA 95603  
PH: (530) 869-7800 FAX: (530) 869-7899

TAHOE SUBSTATION  
DRAWER 1710  
TAHOE CITY, CA 96145  
PH: (530) 581-6300 FAX: (530) 581-6377

EDWARD N. BONNER  
SHERIFF-CORONER-MARSHAL

DEVON BELL  
UNDERSHERIFF

**To:** The Honorable Board of Supervisors  
**From:** Edward N. Bonner, Sheriff-Coroner-Marshall  
**Date:** September 25, 2012  
**Subject:** Roadside Agreement with California Department of Transportation

**Action Requested**

1. Adopt a Resolution approving the Cooperative Agreement for roadside work and litter removal between Placer County Sheriff-Coroner-Marshall (PCSO) and California Department of Transportation (CALTRANS) for a three-year term from November 1, 2012 through October 31, 2015 in the total contract amount of \$760,723 resulting in no net County cost.

**Background**

CALTRANS has the responsibility for roadside work and litter removal services for State highways. Beginning in July 2000 CALTRANS contracted with PCSO to perform that function on their behalf. Additionally, litter removal and beautification of Placer County roadways had been a problem. In conjunction with the contract with CALTRANS, services were also provided to Public Works for this purpose.

CALTRANS desires to continue the contract and is willing to pay for Correctional Officers to supervise adult jail inmates, using CALTRANS equipment, to perform litter removal along State highways per the updated rates provided to them for this service. It is intended that CALTRANS pay for the costs dedicated to State Highways (estimated at 75%) and the County, through Public Works, pay the remaining 25% of the costs. The rates charged is calculated on productive hourly rates that include leaves taken. This contract has been mutually beneficial to the County and the State in beautifying roads within our County and providing a work venue for inmates housed at our jail. This contract pays for two Correctional Officers to implement this program. The contract includes costs for administration, support and overhead and Workers Compensation. Your Board's approval of the Cooperative Agreement is required.

**Fiscal Impact**

The contract cost to implement the portion of the program related to State highways will be funded by CALTRANS in the amount of \$760,723 for the three year term. The contract costs and revenue were included in the budget submitted to your Board for FY 2012-13. Actual costs are only billed as worked. The contract will not begin until all parties execute the contract. The rates are calculated as productive hourly rates to include employee leave. There is no impact to the General Fund.

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# Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: \_\_\_\_\_

Approve the Cooperative Agreement for roadside work and litter removal between Placer County Sheriff's Office and California Department of Transportation (CALTRANS) for a three-year term, from November 1, 2012 through October 31, 2015.

The following Resolution was duly passed by the Board of Supervisors of the County of Placer

at a regular meeting held on September 25, 2012 by the following vote on roll call:

Ayes:

Noes:

Absent:

passage. Signed and approved by me after its

\_\_\_\_\_  
Chair, Board of Supervisors

Attest:  
Clerk of said Board

\_\_\_\_\_  
**WHEREAS**, the California Department of Transportation and Placer County Sheriff's Office, pursuant to Streets and Highways Code section 114 (a), are authorized to enter into this agreement affecting State highways within the jurisdiction of Placer County; and

**WHEREAS**, the Placer County Sheriff's Office has agreed to provide Inmate Labor to perform roadside work subject to the terms and conditions of this agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Supervisors approves the Cooperative Agreement between Placer County Sheriff's Office and the California Department of Transportation in the maximum amount of \$760,723, and authorizes the Sheriff-Coroner-Marshall to execute the Cooperative Agreement.

**COPY**

## COOPERATIVE AGREEMENT

THIS AGREEMENT (Agreement), ENTERED INTO ON **November 1, 2012**, is between the State of California, acting by and through its Department of Transportation, referred to herein as **CALTRANS** and the Placer County Sheriff's Department, hereinafter referred to as **LOCAL AGENCY**.

### RECITALS

1. **CALTRANS** and **LOCAL AGENCY**, pursuant to Streets and Highways Code section 114 (a), are authorized to enter in this Agreement affecting State highways within the jurisdiction of **LOCAL AGENCY**.
2. **LOCAL AGENCY** has agreed to provide Inmate Labor (Inmates) to perform Roadside work, hereinafter the Project, subject to the terms and conditions of this Agreement. The Project Description (Scope of Work and Cost Estimate) is attached hereto as **Attachment III**.
3. The **LOCAL AGENCY's** governing body, under the authority of local ordinances, if applicable, if authorized to provide services or funding as described and specified herein pursuant to the **LOCAL AGENCY** resolution attached hereto as **Attachment II**.
4. All services performed by **LOCAL AGENCY** pursuant to this Agreement are intended to be performed in accordance with all applicable Federal, State, and **LOCAL AGENCY** laws, ordinances, regulations, and **CALTRANS** encroachment permits, published manuals, policies, and procedures.
5. Project funding is as follows:

| <u>FUND TITLE</u> | <u>FUND SOURCE</u> | <u>DOLLAR AMOUNT</u> |
|-------------------|--------------------|----------------------|
| STF               | State              | \$760,722.55         |

6. This Agreement is exempt from legal review and approval by the Department of General Services, pursuant to PCC section 10295.

### SECTION I

#### **LOCAL AGENCY AGREES:**

To satisfactorily complete all Project Work described in **Attachment III**.

### SECTION II

#### **CALTRANS AGREES:**

**CALTRANS** agrees that when conducting an audit of the costs claimed by **LOCAL AGENCY** under the provisions of this Agreement, **CALTRANS** will rely to the maximum extent possible on any prior audit of **LOCAL AGENCY** pursuant to the provisions of State and applicable Federal laws. In the absence of such an audit, work of other auditors will be relied upon to the extent that such work is acceptable to **CALTRANS** when planning and conducting additional audits.

### **SECTION III**

#### **IT IS MUTUALLY AGREED:**

In consideration of the foregoing and the mutual promises of the Parties hereto, **LOCAL AGENCY** and **CALTRANS** agree as follows:

#### **1. Notification of Parties**

- a. **LOCAL AGENCY's** Contract Manager is Rebecca Lyke, (530) 745-8500.
- b. **CALTRANS's** Contract Manager is Shelley Pangman, (530) 265-7900.
- c. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and received by the Parties at their respective addresses:

Placer County Sheriff's Department  
Attention: Virginia Valenzuela  
PO Box 6990  
Auburn, CA 95604

California Department of Transportation  
District 3/Maintenance  
Attention: Shelley Pangman, Contract Manager  
10057 Gold Flat Road  
Nevada City, CA 95959

#### **2. Period of Performance**

Work under this Agreement shall begin on **November 1, 2012**, contingent upon approval of this Agreement by **CALTRANS**, and will terminate on **October 31, 2015**, unless extended by amendment.

#### **3. Changes in Terms/Amendment**

This Agreement may only be amended or modified by mutual written agreement of the Parties.

#### **4. Termination**

This Agreement may be terminated by either party for any reason by giving written notice to the other party at least thirty (30) days in advance of the effective date of such termination. In the event of termination by said notice, funds reimbursed to **LOCAL AGENCY** will include all authorized non-cancelable obligations and prior costs incurred.

#### **5. Cost Limitation**

- a. The total amount payable to **LOCAL AGENCY** pursuant to this Agreement by **CALTRANS** shall not exceed **\$760,722.55**.

- b. It is agreed and understood that this Agreement fund limit is an estimate and that **CALTRANS** will only reimburse the cost of services actually rendered as authorized by the **CALTRANS** Contract Manager at or below that fund limitation established hereinabove.

**6. Allowable Costs**

- a. The method of payment for this Agreement will be based on actual allowable costs. **CALTRANS** will reimburse **LOCAL AGENCY** for expended actual allowable direct and indirect costs, including, but not limited to labor costs, employee benefits, and travel (overhead is reimbursable only if the **LOCAL AGENCY** has an approved indirect cost allocation plan) and contracted consultant services costs incurred by **LOCAL AGENCY** in performance of the Project work, not to exceed the cost reimbursement limitation set forth in 5.a, above. Actual costs shall not exceed the estimated wage rates, labor costs, travel and other estimated costs and fees set forth in **Attachment III** without prior written agreement between **CALTRANS** and **LOCAL AGENCY**.
- b. Reimbursement of **LOCAL AGENCY** expenditures will be authorized only for those allowable costs actually incurred by **LOCAL AGENCY** in the performance of the Project work. **LOCAL AGENCY** must not only have incurred the expenditures on or after the Effective Date of this Agreement and before the Termination Date, but must have also paid for those costs to claim any reimbursement.
- c. Travel expenses and per diem rates are not to exceed the rate specified by the State of California Department of Personnel Administration for similar employees (i.e. non-represented employees) unless written verification is supplied that government hotel rates are not commercially available to **LOCAL AGENCY**, or its contractors, its subcontractors, and/or its sub recipients, at the time and location required as specified in the California Department of Transportation's Travel Guide Exception Process.
- d. **CALTRANS** will reimburse **LOCAL AGENCY** for all allowable Project costs no more frequently than monthly in arrears as promptly as **CALTRANS** fiscal procedures permit upon receipt of itemized signed invoices in triplicate. Invoices shall reference this Agreement Number and shall be signed and submitted to the Contract Manager at the following address:

**California Department of Transportation**  
District 3/Maintenance  
Attention: Shelley Pangman, Contract Manager  
10057 Gold Flat Road  
Nevada City, CA 95959

- e. Invoices shall include the following information:
  - 1. Names of the **LOCAL AGENCY** Personnel performing work
  - 2. Dates of Service
  - 3. Locations of Service (**LOCAL AGENCY** - address)
  - 4. Number of Inmates Working Job

**7. Reports**

- a. **LOCAL AGENCY** shall submit written progress reports with each set of invoices to allow the **CALTRANS** Contract Manager to determine if **LOCAL AGENCY** is performing to expectations, is on schedule, is within funding cost limitations, to communicate interim

findings, and to afford occasions for airing difficulties respecting special problems encountered so that remedies can be developed.

- b. Any document or written report prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts and subcontracts relating to the preparation of those documents or reports.
- c. **LOCAL AGENCY** will provide five (5) copies and one (1) electronic version of the final written report to the **CALTRANS** Contract Manager.

8. **Local Match Funds**

- a. Except where expressly allowed in writing herein, reimbursement of credits for local matching funds will be made or allowed only for work performed on and after the start date and prior to the termination date of this Agreement, unless expressly permitted as local match expenditures made prior to the effective date of this Agreement pursuant to Government Code section 14529.17 or by prior executed SB 2800 Agreement for Local Match Fund Credit.
- b. **LOCAL AGENCY** agrees to contribute at least the statutorily or other required local contribution of matching funds (other than state or federal funds), if any is specified within this Agreement or in any Attachment hereto, toward the actual cost of the services described in **Attachment III** or the amount, if any described in an executed SB 2800 (Streets and Highways Code section 164.53) agreement for local match fund credit, whichever is greater. **LOCAL AGENCY** shall contribute not less than its required match amount toward the services described herein on a proportional monthly or quarterly basis coinciding with its usual invoicing frequency.

9. **Cost Principles**

- a. **LOCAL AGENCY** agrees to comply with Title 2 Code of Federal Regulations (CFR) Part 225, Cost Principles for State, Local, and Indian Tribal Governments (2 CFR 225), and Title 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (49 CFR 18).
- b. **LOCAL AGENCY** agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Title 48 CFR Part 31, Contract Cost Principles and Procedures (48 CFR 31), shall be used to determine the allowability of individual Project cost items and (b) all Parties shall comply with Federal administrative procedures in accordance with 49 CFR 18. Every sub-recipient receiving Project funds as a contractor or sub-contractor under this Agreement shall comply with Federal administrative procedures in accordance with 49 CFR 18.
- c. Any Project costs for which **LOCAL AGENCY** has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR 31, or 49 CFR 18, are subject to repayment by **LOCAL AGENCY** to **CALTRANS**. Should **LOCAL AGENCY** fail to reimburse moneys due **CALTRANS** within thirty (30) days of discovery or demand, or within such other period as may be agreed in writing between the Parties hereto, **CALTRANS** is authorized to intercept and withhold future payments due **LOCAL AGENCY** from **CALTRANS** or any third-party source, including, but not limited to, the State Treasurer, the State Controller or any other fund source.

- d. **LOCAL AGENCY** agrees to include Project in the schedule of projects to be examined in **LOCAL AGENCY's** annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with Office of Management and Budget Circular (OMB) A-133.
- e. Prior to **LOCAL AGENCY** seeking reimbursement of indirect costs, **LOCAL AGENCY** must prepare and submit annually to the **CALTRANS** an indirect cost rate proposal and a central service costs allocation plan (if any) in accordance with 2 CFR 225 and Local Program Procedures Manual (LLP 04-10).

#### **10. Americans with Disabilities Act**

By signing this Agreement **LOCAL AGENCY** assures **CALTRANS** that it complies with the applicable provisions of the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

#### **11. Indemnification**

- a. Nothing in the provisions of the Agreement is intended to create duties or obligations to or rights in third parties to this Agreement or affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the operation, maintenance and repair of State highways different from the standard of care imposed by law.
- b. Neither **CALTRANS** nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by **LOCAL AGENCY** under or in connection with any work, authority or conduct conferred upon **LOCAL AGENCY** under this Agreement. It is understood and agreed that, **LOCAL AGENCY** shall fully defend, indemnify and save harmless **CALTRANS** and all of its officers and employees from all claims, suits or actions of every name, kind and description arising out of this Agreement, including but not limited to, any tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by **LOCAL AGENCY** under or in connection with any work, authority or conduct delegated to **LOCAL AGENCY** under this Agreement.

#### **12. Non-Discrimination**

- a. During the performance of this Agreement, **LOCAL AGENCY** and all of its subcontractors, if any, shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family and medical care leave, and denial of pregnancy disability leave. **LOCAL AGENCY** and its subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. **LOCAL AGENCY** and its sub-contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by this reference and are made a part hereof as if set forth in full. **LOCAL AGENCY** and its subcontractors shall give written notice of their obligations under this

clause to labor organizations with which they have a collective bargaining or other agreement.

- b. **LOCAL AGENCY** shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

### **13. Funding Requirements**

- a. It is mutually understood between the Parties that this Agreement may have been written for the mutual benefit of both Parties in order to avoid program and fiscal delays that would occur if the Agreement was executed only after ascertaining the availability of a congressional or legislative appropriation of funds.
- b. This Agreement is valid and enforceable only if sufficient funds are made available to **CALTRANS** by the United States Government and/or the California State Legislature for the purpose of this Project. In addition, this Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms or funding of this Agreement in any manner.
- c. It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program and Project, this Agreement shall be amended to reflect any reduction in funds.
- d. **CALTRANS** has the option to void this Agreement under the thirty (30) day termination clause or to amend this Agreement to reflect any reduction of funds. In the event of an unscheduled termination, the **CALTRANS** Contract Manager may reimburse **LOCAL AGENCY** in accordance with the provisions of **Article 4 of this Section III**.

### **14. Records Retention**

- a. **LOCAL AGENCY**, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred Project costs and matching funds by line item for the Project. The accounting system of **LOCAL AGENCY**, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of **LOCAL AGENCY**, its contractors and subcontractors connected with Project performance under this Agreement shall be maintained for a minimum of three (3) years from the date of final payment to **LOCAL AGENCY** and shall be held open to inspection, copying, and audit by representatives of **CALTRANS**, the California State Auditor, and auditors representing the federal government. Copies thereof will be furnished by **LOCAL AGENCY**, its contractors, and its subcontractors upon receipt of any request made by **CALTRANS** or its agents. In conducting an audit of the costs and match credits claimed under this Agreement, **CALTRANS** will rely to the maximum extent possible on any prior audit of **LOCAL AGENCY** pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by **LOCAL AGENCY's** external and internal auditors may be relied upon and used by **CALTRANS** when planning and conducting additional audits.
- b. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of **LOCAL AGENCY's** contracts with third parties pursuant to Government

Code section 8546.7, **LOCAL AGENCY**, **LOCAL AGENCY's** contractors and subcontractors and **CALTRANS** shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced Parties shall make such materials available at their respective offices at all reasonable times during the entire Project period and for three (3) years from the date of final payment to **LOCAL AGENCY** under this Agreement. **CALTRANS**, the California State Auditor, or any duly authorized representative of **CALTRANS** or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent to a Project for audits, examinations, excerpts, and transactions, and **LOCAL AGENCY** shall furnish copies thereof if requested.

- c. **LOCAL AGENCY**, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by **CALTRANS**, for the purpose of any investigation to ascertain compliance with this Agreement.

**15. Disputes**

- a. Any dispute concerning a question of fact arising under this Agreement that is not disposed of by agreement shall be decided by the **CALTRANS** Contract Officer, who may consider any written or verbal evidence submitted by **LOCAL AGENCY**.
- b. Neither the pendency of a dispute nor its consideration by the Contract Officer will excuse **LOCAL AGENCY** from full and timely performance in accordance with the terms of the Agreement.

**16. Subcontractors**

**LOCAL AGENCY** shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by **CALTRANS** Contract Manager, unless expressly included (subcontractor identified) in **Attachment III**. Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions stipulated in this Agreement to be applicable to **LOCAL AGENCY's** subcontractors.

**17. Third Party Contracting**

- a. **LOCAL AGENCY** shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed under this Agreement without the prior written approval of **CALTRANS**. Contracts awarded by **LOCAL AGENCY**, if intended as local match credit, must meet the requirements set forth in this Agreement regarding local match funds.
- b. Any subcontract entered into by **LOCAL AGENCY** as a result of this Agreement shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as Project costs only after those costs are incurred and paid for by the subcontractors.

- c. If local match is a requirement of these funds, **LOCAL AGENCY** must ensure that local match funds used for the Project meet the requirements outlined in this Agreement in the same manner as is required of all other Project expenditures.
- d. In addition to the above, the pre-award requirements of third party contractor/consultants with local agencies must be consistent with Local Program Policy (LPP 00-05).

**18. Disabled Veterans Business Enterprise**

- a. Should Military and Veterans Code sections 999 et seq. be applicable to **LOCAL AGENCY**, **LOCAL AGENCY** shall meet the 3% Disabled Veterans Business Enterprises goals (or **LOCAL AGENCY**'s applicable higher goals) in the award of every contract for Project work to be performed under this Agreement.
- b. **LOCAL AGENCY** shall have the sole duty and authority under this Agreement and each amendment to determine whether these referenced code sections are applicable to **LOCAL AGENCY** and, if so, whether participation asserted by those contractors of **LOCAL AGENCY** were sufficient as outlined in Military and Veterans Code sections 999 et seq.

**19. Drug-Free Workplace Certification**

By signing this Agreement, **LOCAL AGENCY** hereby certifies under penalty of perjury under the laws of the State of California that **LOCAL AGENCY** will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and will provide a Drug-Free workplace by doing all of the following:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code section 8355(a).
- b. Establish a Drug-Free Awareness Program as required by Government Code section 8355(b) to inform employees about all of the following:
  - 1. the dangers of drug abuse in the workplace,
  - 2. the person's or organization's policy of maintaining a Drug-Free workplace,
  - 3. any available counseling, rehabilitation, and employee assistance programs, and
  - 4. penalties that may be imposed upon employees for drug abuse violations.
- c. Provide as required by Government Code section 8355(c), that every employee who works on the proposed contract or grant:
  - 1. will receive a copy of the company's Drug-Free policy statement, and
  - 2. will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of this Agreement or both, and **LOCAL AGENCY** may be ineligible for the award of any future state contracts if **CALTRANS** determines that any of the following has occurred: (1) **LOCAL AGENCY** has made a false certification or, (2) **AGENCY** violates the certification by failing to carry out the requirements as noted above.

**20. Relationship of Parties**

It is expressly understood that this Agreement is executed by and between two (2) independent governmental entities and that this is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of an independent party.

**21. Equipment Purchase (By LOCAL AGENCY)**

- a. Prior authorization in writing by the **CALTRANS** Contract Manager shall be required before **LOCAL AGENCY** enters into any non-budgeted purchase order or sub-agreement exceeding \$500 for supplies, equipment, or consultant services. **LOCAL AGENCY** shall provide an evaluation of the necessity or desirability of incurring such costs.
- b. For the purchase of any item, service or consulting work not covered in the attached Project Description (**Attachment III**) and exceeding \$500, three (3) competitive quotations must be submitted with the request or the absence of bidding must be adequately justified, and prior authorization must be obtained from the **CALTRANS** Contract Manager.
- c. Any equipment purchased as a result of this Agreement is subject to the following:  
**LOCAL AGENCY** shall maintain an inventory record for each piece of non-expendable equipment purchased or built with funds provided under the terms of this Agreement. The inventory record of each piece of such equipment shall include the date acquired, total cost, serial number, model identification (on sale, in accordance with established **CALTRANS** procedures, purchased equipment), and any other information or description necessary to identify said equipment. Non-expendable equipment so inventoried is those items of equipment that have a normal life expectancy of one (1) year or more and an approximate unit price of \$5,000 or more. In addition, theft-sensitive items of equipment costing less than \$5,000 shall be inventoried. A copy of the inventory record must be submitted to **CALTRANS** upon request by **CALTRANS**.
- d. At the conclusion of the Agreement, or if the Agreement is terminated, **LOCAL AGENCY** may either keep the equipment and credit **CALTRANS** in an amount equal to its fair market value or sell such equipment at the best price obtainable at a public or private sale in accordance with established **CALTRANS** procedures and credit **CALTRANS** in an amount equal to the sales price. If **LOCAL AGENCY** elects to keep the equipment, fair market value shall be determined, at **LOCAL AGENCY** expense, on the basis of a competent, independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to **CALTRANS** and **LOCAL AGENCY**. If it **LOCAL AGENCY** is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by **CALTRANS**.
- e. CFR 49, Part 18.32 requires a credit to Federal funds when participating equipment with a fair market value greater than \$5,000 is credited to the Project.
- f. Any sub-agreement entered into as a result of this Agreement shall contain all of the provisions of this Article.

**22. Disabled Access Review**

Disabled access review by the Department of General Services (Office of State Architect) is required for the construction of all publicly funded buildings, structures, sidewalks, curbs and

related facilities. No construction contract will be awarded by **LOCAL AGENCY** unless **LOCAL AGENCY** plans and specifications for such facilities conform to the provisions of sections 4450 and 4454 of the California Government Code, if applicable. Further requirements and guidance are provided in Title 24 of the California Administrative Code and the Americans with Disabilities Act (42 USC 12101, et. seq.).

**23. Fire Marshal Review**

The State Fire Marshal adopts building standards for fire safety and panic prevention. Such regulations pertain to fire protection design and construction, means of egress and adequacy of exits, installation of fire alarms, and fire extinguishment systems for any **CALTRANS** owned or **CALTRANS** occupied buildings per Section 13108 of the Health and Safety Code. When applicable, **LOCAL AGENCY** must assure that any relevant Project plans meet the standards of the State Fire Marshal to ensure consistency with **CALTRANS** fire protection standards.

**24. Environmental Clearance**

Environmental clearance of Project by **LOCAL AGENCY** and/or **CALTRANS** is required prior to requesting funds for right of way purchase or construction. No department or agency shall request funds nor shall any department/agency board or commission authorize expenditures of funds for any project, except feasibility or planning studies, which may have a significant effect on the environment unless such a request is accompanied by an environmental impact report per California Public Resources Code section 21102. The California Environmental Quality Act (CEQA), in California Public Resources Code section 21080(b)(10), does provide an exemption for rail projects which institute or increase passenger or commuter services on rail or highway rights-of-way already in use.

**25. Labor Code Compliance: Prevailing Wages**

If the work performed on this Project is done under contract and falls within the Labor Code section 1720(a)(1) definition of a "public work" in that it is construction, alteration, demolition, installation, repair or maintenance **LOCAL AGENCY** must conform to the provisions of Labor Code sections 1720 through 1815, all applicable regulations and coverage determinations issued by the Director of Industrial Relations. **LOCAL AGENCY** agrees to include prevailing wage requirements in its contracts for public work. Work performed by **LOCAL AGENCY's** own forces is exempt from the Labor Code's prevailing wage requirements.

**26. Prevailing Wage Requirements in Subcontracts**

**LOCAL AGENCY** shall require its contractors to include prevailing wage requirements in all subcontracts funded by this Agreement when the work to be performed by the subcontractor is a "public work" as defined in Labor Code section 1720(a)(1). Subcontracts shall include all prevailing wage requirements set forth in **LOCAL AGENCY's** contracts.

**27. Project Close Out**

The Agreement Expiration Date refers to the last date for **LOCAL AGENCY** to incur valid Project costs or credits and is the date the Agreement expires. **LOCAL AGENCY** has sixty (60) days after that Expiration Date to make final allowable payments to Project contractors or vendors, prepare the Project Closeout Report, and submit the final invoice to **CALTRANS** for reimbursement for allowable Project costs. Any unexpended Project funds not invoiced by that sixtieth (60th) day will be reverted and will no longer be accessible to reimburse late Project invoices.

**28. State-Owned Data**

- a. **LOCAL AGENCY** agrees to comply with the following requirements to ensure the preservation, security, and integrity of State-owned data on portable computing devices and portable electronic storage media:
  1. Encrypt all State-owned data stored on portable computing devices and portable electronic storage media using government-certified Advanced Encryption Standard (AES) cipher algorithm with a 256-bit or 128-bit encryption key to protect CALTRANS data stored on every sector of a hard drive, including temp files, cached data, hibernation files, and even unused disk space.
  2. Data encryption shall use cryptographic technology that has been tested and approved against exacting standards, such as FIPS 140-2 Security Requirements for Cryptographic Modules.
  3. Encrypt, as described above, all State-owned data transmitted from one computing device or storage medium to another.
  4. Maintain confidentiality of all State-owned data by limiting data sharing to those individuals contracted to provide services on behalf of the State, and limit use of State information assets for State purposes only.
  5. Install and maintain current anti-virus software, security patches, and upgrades on all computing devices used during the course of the Agreement.
  6. Notify the Contract Manager immediately of any actual or attempted violations of security of State-owned data, including lost or stolen computing devices, files, or portable electronic storage media containing State-owned data.
  7. Advise the owner of the State-owned data, the agency Information Security Officer, and the agency Chief Information Officer of vulnerabilities that may present a threat to the security of State-owned data and of specific means of protecting that State-owned data.
- b. To use the State-owned data only for State purposes under this Agreement.
- c. To not transfer State-owned data to any computing system, mobile device, or desktop computer without first establishing the specifications for information integrity and security as established for the original data file(s). Reference State Administrative Manual (SAM) section 5335.1.

**ATTACHMENTS:**

The following attachments are incorporated into and are made a part of this Agreement by this reference and attachment.

- I. Accounting & Audit Guidelines
- II. **LOCAL AGENCY** Resolution
- III. Scope of Work, Schedule, and Costs

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first herein above written:

**STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION**

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

Title: Contract Officer

Date: \_\_\_\_\_

**PLACER COUNTY SHERIFF'S  
DEPARTMENT**

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **ACCOUNTING & AUDIT GUIDELINES FOR CONTRACTS WITH CALTRANS**

### **INTRODUCTION**

The purpose of this brochure is to outline for you, a potential contractor with the California State Department of Transportation (Caltrans), the basic elements of an adequate accounting system, and the types and objectives of audits that will be performed in relation to your contract. In order to successfully compete for a contract and meet the audit requirements, a contractor (whether a prime or subcontractor) must have a system of record keeping and internal control. Although a specific cost accounting system is not required, a contractor needs a system which will assure compliance with the terms of the agreement. A preaward audit will be performed to assure you meet these requirements prior to contract execution. If your system is deficient, the contract will not be executed.

Caltrans reimburses, through your overhead rate, the costs attributable to establishing and maintaining a cost accounting system.

Staff time and other costs related to an audit performed of your contract are also normally reimbursed through your overhead rate.

### **ACCOUNTING SYSTEM**

Contractors (whether a prime or subcontractor) planning to contract with Caltrans must have an accounting system which meets the following objectives:

- The ability to record and report financial data in accordance with generally accepted accounting principles.
- A system of record keeping to ensure that costs billed to Caltrans are:
  - a. Supported by adequate documentation.
  - b. In compliance with the terms of the contract and applicable Federal and State regulations specified in the contract.
- A system of record keeping which ideally includes the following:
  - a. A General Ledger
  - b. Job cost ledger
  - c. Labor distributions
  - d. Time records
  - e. Subsidiary journals

- f. Chart of accounts
- g. Financial statements
- The ability to accumulate and segregate reasonable, allocable (incurred solely for a project) and allowable (per terms of the contract) costs through the use of a cost accounting system. The following are some of the attributes which would ideally be found in such a system:
  - a. A chart of accounts which includes indirect and direct general ledger accounts. Indirect costs are not specifically identified to a project, for example, rent and/or utilities. Direct costs are specifically identified with a project, for example, drafting hours and/or design hours.
  - b. Segregation of costs by contract, category of cost and milestones (if applicable).
  - c. Proper recording of direct and indirect costs. For example, recording of labor costs should provide that non-project indirect hours be recorded on a timesheet and in the accounting records to an administration, vacation, sick leave or other indirect cost account/code. Direct project hours should be recorded on at timesheet and in the accounting records to a direct project cost account/code.
  - d. Consistent accounting treatment of costs in recording and reporting. For example, if travel expense is charged directly to a project, all travel expense incurred on any project should be considered a direct cost. As a result, project related travel, whether reimbursable per the contract terms or not, should not be included as an indirect cost.
  - e. Ability to trace from invoices submitted to Caltrans to job cost records and original, approved source documents, for example, timesheets, vendor invoices, canceled checks.
  - f. Ability to reconcile job cost records to the accounting records.
- Compliance with cost principles described in the Code of Federal Regulations 48, Federal Acquisition Regulations System (FAR), Chapter 1, Part 31. Information on how to obtain this regulation is described under "Audit Criteria" in this brochure.
- Procedures to monitor and adjust projected overhead rates to actual rates.
- Controls to ensure that written approval is obtained prior to any changes to the contract.
- Procedures to retain accounting records and source documentation as required by the terms of the contract.
- A system of internal control which provides reasonable assurance that assets are protected; financial data, records and statements are reliable; and errors and irregularities are promptly discovered, reported, and corrected. The elements of a system of internal control should include, but not be limited to, the following:
  - a. Separation of duties for proper protection of assets. Incompatible duties are those that place any person in a position to both perpetrate and conceal errors or irregularities in the normal course of business. For example, the person who

writes checks should be different from the person who reconciles bank statements and the person who purchases goods should be different from the person who receives goods.

- b. Limiting access to assets to only authorized personnel who require these assets in the performance of their assigned duties. For example, blank check stock should be locked in a safe when not in use.
- c. Authorization and record keeping procedures which provide effective accounting control over assets, liabilities, revenues, and expenditures.
- d. A system of practices to be followed in the performance of duties and functions. Such a system normally includes policies and procedures which establish the purpose and requirements of the accounting system. For example, timekeeping practices should ideally provide for the following:
  - Timesheets be prepared, signed, and dated by all employees.
  - Timesheets be completed in non-erasable ink.
  - Timesheet corrections be crossed-out and initialed by the employee.
  - Timesheets be signed by a supervisor as reviewed and retained on file as required by the contract.
- e. Personnel with skills and training commensurate with their responsibilities.
- f. A system of internal review. For example, bank reconciliations and travel expense claims should be reviewed approved and signed by a supervisor.

## **AUDITS**

Contractors, whether a prime or subcontractor, performing under a negotiated contract with Caltrans are, subject to the following audits:

### **PREAWARD AUDITS**

Prior to the award of a contract, the Caltrans Audits Office will conduct a preaward evaluation to determine if the contractor's accounting system is adequate to accumulate and segregate costs as detailed in the previous section and to determine if the proposed costs are reasonable. It alerts both the contractor and Caltrans management to problems relative to the contractor's cost proposal and cost accounting system. Due to time constraints in the award process, your cooperation in scheduling the preaward audit with short notice will expedite the execution of your contract.

### **INTERIM AUDITS**

Interim audits are performed on an as needed basis. During the preaward audit, if it is determined that the contractor's accounting system is new or minor deficiencies are noted, an interim audit is scheduled to determine that the system is functioning adequately to ensure that billed costs are supported and that any deficiencies were corrected. An interim audit may be requested by the

contract administrator or by Caltrans management to address concerns during the course of the contract. Also, an audit manager may initiate an interim audit of a long duration contract to ensure that costs reimbursed to date are allowable.

## **POST AUDITS**

Post audits of contracts are performed routinely after project completion. Post audits are performed to determine whether the costs claimed are allowable, allocable, reasonable, and in compliance with the Federal and State laws and regulations as well as the fiscal provisions stipulated in the contract. The examination includes reviews of applicable laws and regulations, the contract requirements and the contractor's system of internal controls. Audit tests of the contractor's accounting records and other auditing procedures considered necessary will also be made. Applications of all audit procedures would also be governed by the individual contract under audit. Unsupported or unallowable costs are normally the result of weaknesses in the accounting system and will be reimbursed to Caltrans.

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## **AUDIT CRITERIA**

For specific information regarding basic cost accounting systems and applicable State and Federal regulations, please see the following:

### **Code of Federal Regulations 48, Federal Acquisition Regulations System, Chapter 1, Part 31**

This regulation contains cost principles and procedures for the pricing of contracts/subcontracts and the determination, negotiation, or allowance of costs. Contact:

Superintendent of Documents  
Government Printing Office  
Washington, DC 20402

(202) 783-3238

### **California State Administrative Manual**

A reference source for statewide policies, procedures, regulations, and information. Contact:

Documents and Publications  
Office of Procurement  
Department of General Services  
P.O. Box 1015  
North Highlands, CA 95660

(916) 973-3700

For review of the above references, contact your local library or the California State Library.

California State Library/Library and Courts Building  
914 Capitol Mall  
P. O. Box 942837  
Sacramento, CA 94237-0001  
Information: (916) 654-0261

For assistance in establishing an accounting system which will meet the objectives outlined in this brochure, you should contact an accountant and/or bookkeeper who is familiar with cost accounting systems.

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Caltrans is an affirmative action employer. Equal opportunity is offered to all regardless of race, color, creed, national origin, ancestry, sex, marital status, disability, religious or political affiliation, age or sexual orientation. Contractors that contract with Caltrans are responsible for taking necessary and reasonable steps to achieve these same goals.

**1. The County agrees to the following:**

**A. The County will provide the following services:**

**Urban Areas:**

1. Plant restoration in landscaped areas
  - Remove dead or end of life cycle plants, shrubs and trees
  - Prepare and replant areas of plant loss, shrubs and trees
  - Ground cover removal and replanting
2. Trim overgrown shrubs and trees (particularly near fence lines and sound walls).  
Tree trimming will be provided from ground only.
3. Manual weed control.
4. Water systems restoration.
5. Clean up of landscaped areas along local streets and frontage roads.
6. Remove unwanted vegetation on landscaped freeways as directed by the Caltrans Contract Manager.
7. Make fire breaks at fence lines and/or shoulders in lieu of spraying, grading or disking.
8. Remove brush, weeds and debris from unimproved right of way.
9. Mowing lawns and mulching plants.
10. Annual tree planting program each winter or by the season.
11. Clean ditches and channels at tope of cuts and benches.
12. Clean out culvert inlets and outlet channels.
13. Restore and reseed eroded slopes.
14. Wash signs, markers and guideposts.
15. Minor storm damage repair activity.

16. Manual litter removal along roadsides and landscape areas.

17. Clean maintenance facilities.

**Rural Areas:**

1. Clear unwanted, unsightly, dead and overgrown brush and trees within the right of way.
2. Trim or remove brush and trees that have the potential of obstruction sight distance in the future as the brush becomes larger.
3. Open up mountain, ocean, lakes and river vistas by selective tree and brush removal within the right of way.
4. Trim or remove trees in areas of deer and other wild game crossing for motorist visibility of animals and vice versa.
5. Remove brush, trees, limbs, logs and other debris within the right of way in ditches, channels or natural waterways leading to cross-highway drainage.
6. In forestlands, clear natural vegetation-type debris in natural waterways leading to cross-highway drainage up to 1,000 feet from the highway.
7. Make firebreaks at fence lines and where appropriate adjacent to shoulders in lieu of spraying, grading, mowing or disking.
8. Remove fire tinder within the right of way such as dead grass and fallen tree limbs.
9. Plant natural vegetation on friable cut and fill slopes and any other areas subject to erosion.
10. Slope restoration and reseeded (eroded slopes). Clean culverts and restore ditches.
11. Construction of protective walls, lining of drainage inlets and outlets utilizing native rock salvaged from cut slopes.
12. Repair rock walls.
13. Restore right of way fences in areas of no active use of the adjacent properties where fences have deteriorated. This includes rotten and broken posts, broken wire and broken rails.

14. Wash and paint signs.
15. Litter removal (roadside and landscaped areas).

**Caltrans Maintenance Stations:**

1. Paint buildings in urban and rural areas.
  2. Make minor repairs to maintenance station buildings.
  3. Clean up debris in maintenance station yards.
  4. Repair and/or upgrade yard paving.
  5. Repair fencing around yards.
  6. Improve general appearance of stations.
  7. Remove snow from roofs in snow areas.
  8. General yard work at maintenance stations.
  9. Construct chemical dump sumps at maintenance stations.
  10. Vehicle maintenance such as washing, waxing and detailing.
- B. Inmate Work Crew as needed, including during inclement weather. Work will take place a minimum of four (4) days per week, Monday through Thursday from 7:00 am to 5:00 pm. Work will be a minimum of three (3) days per week on Caltrans right of way and a maximum of one (1) day per week on County property, funding for the County work project will be funded by the County and not billed Caltrans. Work shall conclude no earlier than 4:00 pm and shall not exceed a ten (10) hour work day.
- C. Under the direction of the County Work Crew Supervisor(s), Inmate Work Crews will perform manual, unskilled labor on State highways within the County, which will improve or preserve the appearance or function of the highway.
- D. The Work Crew Supervisor will assign a minimum of one (1) to a maximum of two (2) Work Crews, each consisting of a minimum of seven (7) inmates, with no maximum, except for span control.

- E. The Work Crew Supervisor, in charge of each Inmate Work Crew, shall be under the supervision of, and shall be responsible to, the Department of Sheriff Coroner-Marshal for the County.
- F. The Work Crew Supervisor shall supervise and control the Inmates while performing the work Caltrans has specified. The Work Crew Supervisor shall comply with such direction so long as the instruction do not endanger the Work Crew Supervisor of the Inmates, do not prevent the Work Crew Supervisor from adequately supervising the Inmates, and do not violate any law or policy of the Department of Sheriff Coroner-Marshal or the County.
- G. The Work Crew Supervisor is responsible for ensuring that Inmates adhere to all Caltrans' safety standards including, but not limited to the wearing of hard hats and safety vests.
- H. The County shall furnish the necessary driver from the designated Caltrans Yard to and from the appointed Work site. The transportation shall include the transporting the necessary tools and a portable toilet facility.
  - 1. The County Work Crew Supervisor vehicle operator must possess a valid California Drivers License appropriate for the vehicle to be operated and have completed a Defensive Driving Course within the previous three (3) years. The Defensive Driver's training must be equivalent to that required by the State for its employees operating State vehicles.
  - 2. Any vehicle operator's work related driving accident shall not exceed the number allowable for a State employee under the current State policy. If the accident record is found to exceed the maximum allowable, the Contract Manager shall request and the County shall immediately provide a replacement operator.
  - 3. The County shall be responsible for reporting any damage from accident, vandalism, or any other cause, to the Caltrans provided vehicle, portable toilet, or tools to the Caltrans Contract Manager within eight (8) hours verbal communication followed up in writing within three (3) days.
- I. County shall hold an orientation meeting at the beginning of each day for work assignments. Each Crewmember shall sign in on the list for the day and a copy of the list shall be provided to the Caltrans Contract Manager along with the invoice.
- J. County will clean and dump the portable toilet at an approved site on an as needed basis. The County shall clean the Caltrans van and the portable toilet to Caltrans satisfaction on a weekly schedule.

2. Caltrans agrees to the following:
  - A. Caltrans shall only direct Inmate Work Crews in regards to specifying the nature of the work to be done, the location and the manner of performing it. Caltrans will make periodic visits to work sites to assure that the work is being performed as requested. Caltrans shall assign a Caltrans employee to provide the required technical direction if it is required.
  - B. Caltrans shall provide all necessary safety equipment as well as all necessary safety instructions.
  - C. Caltrans will provide training to Inmates in the use of all tools (including mechanical and power tools), which the Inmates will be allowed or required to use performing work under this Agreement.
  - D. Caltrans shall provide all necessary signage and consumables such as hand tools, safety equipment, specialty tools, hard hats, trash bags, gloves and orange vests.
  - E. Caltrans shall provide all traffic control that may be necessary in connection with the work being performed, or to be performed by the Inmates.
  - F. Caltrans shall provide vehicles for transporting Inmates from the Caltrans yard to and from all Caltrans and County work sites.
  - G. Caltrans shall provide a portable toilet for Inmates to use each workday. Caltrans will perform all maintenance on the provided transport vehicle as well as the toilet and trailer provided to the County.
  - H. Caltrans shall remove and properly dispose of trash that has been collected on State right of way.