

**FIRST 5 CALIFORNIA  
STANDARD PROVISIONS FOR LOCAL AREA AGREEMENTS**

1. Indemnification

The First 5 county commission agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by First 5 county commission in the performance of this Agreement.

2. Independent Capacity

The First 5 county commission, and the agents and employees of the First 5 county commission, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

3. Assignment

This Agreement is not assignable by the First 5 county commission, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. Time is of the Essence

Time is of the essence in this Agreement.

5. Amendments

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as an amendment to this Agreement. No oral understanding or Agreement not incorporated in the Agreement, nor unilateral written communication, is binding on any of the parties.

6. Expenditure of Funds and Allocation of Funding among Budget Categories

The First 5 county commission shall expend funds in the manner described in the budget of the approved application. The allocation of funds among the categories in the budget may vary by as much as fifteen percent (15%) without approval by First 5 California. Any difference of more than fifteen percent (15%) in any one category must be requested in advance in writing and approved by the First 5 California Program Manager. First 5 California may withhold payment for changes in particular budget items which exceed the amount allocated in the approved budget by more than fifteen percent (15%) and which have not received the approval required above.

7. Monitoring and Audits

A. First 5 California or its duly authorized representative shall have access and the right to examine, audit, review, excerpt and transcribe any books, documents, papers or records of

the First 5 county commission and/or subcontractor, which in the opinion of First 5 California or the State, may be related or pertinent to this Agreement. Such material for each year of the Agreement must be retained for a period of five (5) years after the termination of the Agreement or until an audit is completed by the State and all questions arising there from are resolved. An exception to the five-year retention period is when an Agreement audit is in dispute or litigation. In those instances, the time records are to be retained is extended until the dispute or litigation is fully resolved.

- B. Program and fiscal monitoring and audits may be conducted at any time during the performance of the Agreement. It is the First 5 county commission's responsibility to ensure that all expenditures claimed, including all subcontractor expenditures, are allowable costs as defined by this Agreement.
- C. The County must maintain accurate and verifiable program and financial data for all costs, in accordance with generally accepted accounting principles and standards for governmental entities. For example, if an employee is multi-funded on a time accounting basis, then the employee's timesheet must indicate the actual amount of time spent in each program per day.
- D. If expenditures are found to be unallowable or unsubstantiated as a result of any monitoring or audit of the First 5 county commission's program or fiscal documentation, the First 5 county commission shall immediately remit the amount of the unallowable costs to First 5 California. At First 5 California's discretion, it may offset future claims in the amount of the unallowable cost or take any other reasonable action to retrieve the funds.

#### 8. Travel Reimbursement

- A. Any reimbursement for necessary travel and per diem shall be in accordance with the First 5 county commission's contract travel provisions. If a local county commission policy or county contract travel provisions do not exist, First 5 California will reimburse travel in accordance with the California State Department of Personnel Administration provision, Section 599.619, Reimbursement for meals and lodging – Excluded Employees.
- B. If the First 5 county commission's travel and per diem rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary.
- C. No travel outside the State of California shall be reimbursed without prior written authorization from First 5 California. Written authorization may be in a form including fax or e-mail confirmation.

#### 9. Termination

Either party retains the right to mutually terminate this Agreement without cause at its sole discretion, provided that written notice has been delivered to the other party at least thirty (30) days prior to such termination date.

- a. Notwithstanding the above, First 5 California may terminate this Agreement immediately upon written notice by First 5 California if sufficient funds are not available to fulfill its obligations under this Agreement.

- b. If the First 5 county commission terminates this Agreement, it remains liable for certifying that all CSP funds received pursuant to this Agreement were expended in compliance with all terms and conditions of this Agreement.

10. Inconsistent Terms

If any terms in these Standard Provisions for Local Area Agreements are inconsistent with the requirements and responsibilities in the RFA, every attempt should be made to give all terms their full effect. However, if the terms cannot be harmonized then the terms in these Standard Provisions shall control.