
From: Claudia Berglund
Sent: Wednesday, June 19, 2024 10:57 AM
To: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com
Cc: OCF Executive
Subject: Michelle Richard's response to my email

To the Board-

Ms. Richards is at best disingenuous in her response to my email to the Board. She arrived at 1pm, accompanied by Security. She elected to 'serve' her notice to Sarah Klifa personally, in front of all of Sarah's clients while Sarah was warming up the children who ride with her. Most of the other notices she 'served' were simply taped to stall doors. Of course it was disruptive, which was clearly her intent. I cannot imagine why a CEO would be 'required' to personally 'serve' a tenant at a public event. The recipients of the 'notices' believed them to be eviction notices.

After a significant delay we were able to complete the Saturday competition. I had at least four horses withdraw from competition and no further adds. That had a significant adverse impact on the financial results of my show. I do not necessarily believe that I was the primary target of Ms. Richard's actions, but the impact of those actions was to sabotage my show.

Claudia Berglund

Manager, Victory Horse Shows LLC

From: Aileen Anderson
Sent: Wednesday, June 26, 2024 11:39 PM
To: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; OCF Executive
Cc: Michele Richards; Brian Cummings
Subject: OCF equestrian center contracts
Attachments: OCF contract summary letter 062624.pdf; F31 template vs EC contract draft comparison.pdf; DAA ContractManual-Jan2010.pdf; F-31 Fairtime and Interim Event Rental Agreement (F-31 template) D2019-03 copy.pdf

Please find attached a letter regarding the OCF equestrian center contract evictions, along with supporting documents for your consideration.

Aileen Anderson
Brian Cummings

Supporting documents

June 26, 2004

OC Fairgrounds Board of Directors

We appreciate the offer to meet with CEO Richards regarding the new equestrian center contracts. Unfortunately, while two meeting days were offered, each of these offers was made with short notice. An offer received by email Friday May 24 was made to provide individual meeting times Saturday May 25 between 10-11:30 a.m, and an offer received by email Thursday May 30 to meet 3:30-5pm on Thursday May 30. As a result, many boarders with jobs and kids, certainly myself, were unable to take advantage of these opportunities.

It is unfortunate that, given these limited opportunities, OCF staff have declined to discuss proposed modifications to the contract, and declined to accept payment - even when made in full for the newly established rates - for contracts that were signed with markups.

The subsequent issuance of eviction notices during the first scheduled equestrian show at the OCF is also unfortunate, as is the state of communication with the public on the details of the revised contract and evictions.

Accordingly, we respectfully submit the following points and comments regarding both communication with the public in the June 24 edition of the OC Register and the details of the new boarder (renter) contracts below:

1) OCF staff are quoted as stating the following in the June 24 edition of the OC Register: "No one expressed concern to me about any of the terms in those contracts".

This is not accurate. Many boarders approached staff about the terms of the contract in the months leading up to the eviction notices, including being told to submit contract markups in writing in emails going as far back as March of 2024. Other boarders have documented and provided records of those communications.

In addition, at least one trainer communicated in a one-on-one meeting with CEO Richards that it would not be possible to sign on to some of the clauses, specifically the requirement for a deposit and liability for damages to stalls and other areas going forward, because of the large amount of deferred maintenance that has accumulated since the OCF took over management of the facility.

2) OCF staff are also quoted as follows: "Richards said the rental agreements have standard terms, including the ones cited by Graves, that are part of a state-mandated template and that these rental agreements have been signed without edits in the past."

The rental agreement was modeled on the F-31 rental form template. This template is provided to all DAAs by the California Department of Food and Agriculture. The F-31 form is called the "Fairtime and Interim Event Rental Agreement".

Appended is a copy of that agreement as distributed by the CADFA, with cover letter, which states:

"Per Assembly Bill 2490, District Agricultural Associations (DAAs) may contract in accordance with Board developed and approved written policies; it is recommended

that DAAs adopt the F-31 template as a **fair-time or short-term interim event rental template, excluding carnival agreements. **The revised F-31 template is legally sufficient for 2-3 day events.****

A contract template intended for 2-3 day events is not appropriate for long-term rental or maintenance of an equestrian facility. Also appended is a document comparison of the F-31 form and equestrian rental agreement for reference. As boarders and trainers have communicated, review of these documents makes it clear that this is a one-sided contract that is not in line with industry standard contracts, and minimally addresses what the OCF is providing in terms of services. For example, there are 11 pages of defined requirements for renters and only 1/2 page of what is provided by the OCF to renters, with no clear description of services, responsibilities to renters regarding support for maintenance and upkeep of facilities.

Moreover, there are numerous clauses in the F-31 based short term rental contract that are irrelevant, or inappropriate because of the amount of deferred maintenance on the facility. For example, Page 1 Item 6, Page 10 Item 23, and Page 3 Item 7 - all of which focus on establishing a security deposit and the responsibility of the renter for damages. There is significant deferred maintenance of stalls, fences and other property that fall within these clauses, but the contract is silent with regard to establishing either a baseline for the current state of Association property, or defining what falls into this category of property. This would place renters under this contract in an untenable position. The hot walkers, referenced in the contract on Page 10 Item 16, provide a tangible basis for understanding this concern. The hot walkers have not been maintained and do not work safely, yet there is a specific clause dedicated to their use. If one signs this contract, and there is no pre-inspection of the facility to agree on existing repair state/damages, would the deposit paid by a renter be subject to use to repair them? If functioning hot walkers are a part of the rent paid, what obligation is the OCF under to repair and maintain them?

3) OCF staff are also quoted stating: "There's nothing to meet about at this point. They have been informed that we can't accept any edits to that standard agreement.."

Critically, the ability to modify contracts including the F-31 rental form is defined in the DAA contract manual, page 60:

3 – F-31 "Rental Agreement Forms"

Submit 3 completed signed copies of the F-31 with all applicable items completed as required.

Authorized signatures of contractor and DAA CEO on each copy of F-31.

If changing termination clause, add new clause and line out pre-printed clause on reverse of F-31. Both parties initial.

It is clearly normal practice to adapt these agreements to meet the unique demands of different renters and situations. Given that this is an agreement that is necessarily being adapted from a 2-3d temporary rental template to an arrangement that is to last for the next 6 months, it is reasonable to expect both discussion and an effort to reach common ground.

Examples of additional contract comments which impact the ability of renters to move forward without further discussion/revisions.

Page 3 Item 5

"Association will furnish necessary janitor service for restrooms, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly arranged and clean."
This statement is unclear. What activities are required by the renters?

Page 4 Item 14

"Contractor, by signing this contract..."

Specifies contractor and not renter, which is inappropriate to this agreement.

Page 5 Item 2

"This is a month to month agreement which may be terminated by either party on 30 days notice".

Month to month agreements are not at all in alignment with industry standard for equestrian facilities.

Page 8 Item 12f

"Availability of arenas will be based off OCFECs public program needs. Notification regarding arenas availability and/or closures will be communicated to Renters."

The period of advance notice should be defined. All of the existing programs on site have schedules that are established weeks, and sometimes months, in advance. Creating a structure with no predictability will severely impact the ability of the "Renters" to maintain existing public programming. Moreover, safety is a critical concern for both boarders and trainers. Rescheduling of lessons/programs, daily exercise programs to maintain equine health, and other training activities will certainly be necessary to accommodate at least some aspects of public programming, for which an agreed upon term of advance notice is essential.

Page 9 Item 15 Common Areas

"Fees will be assessed on size"

As previously communicated to staff and the board, this stipulation is well outside the industry standard, and seem to fall into a junk fee category.

Thank you for your consideration of this summary,

Aileen Anderson
Brian Cummings



Draftable Comparison Export

This document is an exported comparison with limited functionality, generated by Draftable Desktop. To access full functionality, use Draftable's powerful comparison viewer in any of our products.

Left document: F-31 "Fairtime and Interim Event Rental Agreement" (F-31 template) D2019-03 copy.pdf

Right document: Sample-EQC-RA-6-15-to-12-31-24-rev-5-13-24.pdf

What is this document?

This is a comparison of two documents. The two documents are interleaved such that the left document is displayed on even pages and the right document is displayed on odd pages.

Is there a specific way I should view this file?

This document is intended to be viewed in Two Page Continuous mode (or sometimes called 'Two Page Scrolling'). It should open in this mode by default when using Adobe Acrobat and most popular PDF readers.

If the document opens in a different view, you can often change this in the settings. In Adobe Acrobat, go to **View > Page Display > Two Page Scrolling**.

Why are there blank pages?

Blank pages are inserted to keep both documents as aligned as possible.

How do I read the changes?

Text deleted from the left document and, hence, not in right document is highlighted red. Text added to the right document and, hence, not in left document is highlighted green.

Tip for printing

When printing this document, we recommend printing double-sided and include this first page. This will result in the matching text being displayed on different pages and easily readable, much like a book.

For more information

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CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

August 30, 2019

D2019-03

TO: All District Agricultural Association CEOs

SUBJECT: Fairtime and Interim Event Rental Agreement

The Fairs and Expositions Branch (F&E) is pleased to announce that the F-31 "Fairtime and Interim Event Rental Agreement" (F-31 template) has been revised. The F-31 template has been updated to a larger font to meet Americans with Disabilities Act (ADA) accessibility standards and includes additions and revisions to items 2, 4, 6, 8, 12, 19, 21 and 26.

Per [Assembly Bill 2490](#), District Agricultural Associations (DAAs) may contract in accordance with Board developed and approved written policies; it is recommended that DAAs adopt the F-31 template as a fair-time or short-term interim event rental template, excluding carnival agreements. The revised F-31 template is legally sufficient for 2-3 day events.

The California Fair Services Authority (CDSA) announced in their August 2019 newsletter that Insurance Requirements have been revised and that all General Liability pool members are required to attach to all rental and services contracts. The revised insurance language should be included as Exhibit B with the enclosed F-31 agreement. Enclosed is Exhibit C, Event and Event Rental Contract Terms and Conditions, and Exhibit D, Fairtime/Commercial Exhibitors and Concessionaires Contract Terms and Conditions, to be included with the F-31 agreement template as needed.

If you have any questions, please contact Kalia Mitchell at (916) 900-5274 or at Kalia.Mitchell@cdfa.ca.gov.

Sincerely,

John Quiroz
Branch Chief

Enclosure



REVIEWED _____

APPROVED _____

RENTAL AGREEMENT

THIS RENTAL AGREEMENT hereinafter, called the Agreement by and between the **32nd District Agricultural Association** dba **OC Fair & Event Center** (OCFEC), hereinafter called the Association, and **First and Last Name** hereinafter, called the Renter. Association and Renter may be collectively referred to as the Parties.

WITNESSETH:

1. THAT WHEREAS, The Renter desires to secure from the Association certain rights and privileges and to obtain permission from the Association to use Association Premises:

June 15 – December 31, 2024

2. NOW, THEREFORE, Association hereby grants to the Renter the right to occupy the space(s) described below for the purpose hereinafter set forth, subject to the terms and conditions of this Agreement:

See Exhibit A and W

<input type="checkbox"/> <u>Box Stall (12' x 12')</u>	<input type="checkbox"/> <u>Locker (OCFEC Owned)</u>
<input type="checkbox"/> <u>Double Box Stall (12' x 24')</u>	<input type="checkbox"/> <u>Storage (Non-OCFEC Owned)</u>
<input type="checkbox"/> <u>Tack Room</u>	<input type="checkbox"/> <u>Misc. _____</u>
<input type="checkbox"/> <u>Horse Trailer Parking</u>	

3. Renter shall guarantee the payment of any damage to Association property, removal of all property and the leaving of the Premises in the same condition in which Renter took possession.
4. The purpose of occupancy shall be limited to, and shall be for no other purpose or purposes whatsoever:

Equestrian Center Boarding Facility

5. Renter agrees to pay to Association for the rights and privileges hereby granted, the amounts and in the manner set forth below:

SEE RATE SHEET (Exhibit W)

6. The Association may retain from the deposit any amount necessary to remedy Renter defaults in the payment of rent, repair of damage to the Premises caused by Renter, or to clean the Premises upon Renter move-out if not left in the same condition in which Renter took possession. The deposit amount or balance, if any, and an itemized list of any deductions shall be returned to Renter no later than thirty (30) days.
7. Renter shall abide by the additional terms and conditions indicated in the following Exhibits "A" "B" "C" "E" "F" and "W" attached to this Agreement and incorporated by these references.
8. Renter acknowledges that the Association's Fairgrounds may be required at any time, with limited advance notice, for the purpose of responding to an emergency declared by local, state, and/or federal government. Association shall not be liable for any interference of Renter's use or possession of the Premises or loss to or expenses incurred by the Renter or its subcontractors or patrons that may result from such emergency use of the Premises.
9. If as a result of any Act of God, war, epidemic, accident, fire, violent weather or weather related disaster, strike, lock-out, or other labor controversy, riot, civil disturbance, act of Public enemy, law enactment, rule, restraint, order, or act of any governmental instrumentality or military authority, failure of technical facilities,

**FAIRTIME AND INTERIM EVENT
RENTAL AGREEMENT**

THIS RENTAL AGREEMENT ("Agreement") is by and between the _____ District Agricultural Association, ("Association"), commonly known as the _____ ("Fairgrounds"), and _____ ("Renter"). Association and Renter may be collectively referred to as the "Parties."

1. Association hereby grants to the Renter the right to occupy the space(s) known as _____, as depicted in Exhibit A, located on the Fairgrounds at _____, California _____ ("Premises") for the purposes hereinafter set forth and subject to the terms and conditions of this Agreement.
2. The term of this Agreement begins on _____ and ends on _____. Renter shall guarantee the payment of any damage to Association property, removal of all property and the leaving of the Premises in the same condition in which Renter took possession.
3. The purposes of occupancy shall be limited to _____

and shall be for no other purpose whatsoever.
4. Renter shall pay Association the amount of \$ _____.00, which is due _____. Payments should be made by _____.

Upon execution of this Agreement, Renter shall pay the Association a deposit in the amount of \$ _____.00. The Association may retain from the deposit any amount necessary to remedy Renter defaults in the payment of rent, repair of damage to the Premises caused by Renter, or to clean the Premises upon Renter move-out if not left in the same condition in which Renter took possession. The deposit amount or balance, if any, and an itemized list of any deductions shall be returned to Renter no later than thirty (30) days. [Insert any specific cancellation policy regarding the return of the deposit.]

5. Renter shall pay the following services and fees: _____

6. Renter acknowledges that the Association's Fairgrounds may be required at any time, with limited advance notice, for the purpose of responding to an emergency declared by local, state, and/or federal governments. Association shall not be liable for any interference of Renter's use or possession of the Premises or loss to or expenses incurred by the Renter or its subcontractors or patrons that may result from such emergency use of the Premises.
7. Association shall have the right to audit and monitor any and all sales as well as access to the premises.

8. Renter shall defend, indemnify and save harmless Association and the State of California, their officers, agents, servants and employees from any and all claims, causes of action and suits accruing or resulting from any damage, injury or loss to any person or persons, including all persons to whom the Renter may be liable under any worker's compensation law and Renter him/herself and from any loss, damage, cause of action, claims or suits for damages, including but not limited to loss of property, goods, wares or merchandise, caused by, arising out of or in any way connected with the exercise by Renter of the privileges herein granted.
9. Renter further agrees to not sell, exchange or barter, or permit its employees to sell, exchange or barter, any licenses or permits issued to Renter or its employees.
10. No Renter will be allowed to open until all the preliminary requirements herein set forth have been complied with.
11. Renter will conduct business in a quiet and orderly manner; will deposit all rubbish, slop, garbage, tin cans, paper, etc., in receptacles provided by the Association within Premises for such purpose and will keep the area within and surrounding Premises free from all rubbish and debris.
12. All temporary tents or enclosures erected by Renter shall have the prior written approval of Association and local fire suppression authorities. Renter shall not affix any fixtures to the Premises without the written preapproval of the Association and if the removal of the fixture may be affected without injury to the Premises.
13. Upon request, Renter will furnish Association with a list of all sales prices and other charges of any kind whatsoever to be charged by the Renter. If Renter is an eating concession and not restricted to specific items, Renter shall submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation. Upon request, Renter must furnish to Association receipts for license fees, tax deposits, insurance, etc., prior to event.
14. Renter will conduct the privileges granted in this Agreement according to all the rules and requirements of applicable state and local health authorities, and without infringement upon the right and privileges of others; will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is sold by Association, nor engage in any other business whatsoever upon or within Premises or Fairgrounds, except that which is herein expressly stipulated and contracted for; will confine said transactions to the Premises and privileges provided in this Agreement, and that any and all exclusives granted Renter shall not include the carnival and the carnival area.
15. Renter will post in a conspicuous manner at the front entrance to the concessions, a sign showing the prices to be charged for all articles offered for sale to the public. The size of said sign, manner and place of posting shall be pre-approved by Association.
16. Association will furnish necessary janitor service for all aisles, streets, roads and areas used by the public, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly

failure, delay or reduction in transportation services, fire, explosion, or other cause not reasonably within either Party's control and which renders either party's performance impossible, infeasible, or unsafe ("Force Majeure Event"), then either party may cancel this agreement and neither party shall have any further liabilities and/or obligations in connection with this agreement.

10. Association shall have the right to audit and monitor any and all sales as well as access to the Premises.
11. Renter shall defend, indemnify and save harmless Association and the State of California, their officers, agents, servants and employees from any and all claims, causes of action and suits accruing or resulting from any damages, injury or loss to any person or persons, including all persons to whom the Renter may be liable under any Workers' Compensation law and Renter himself/herself and from any loss, damage, cause of action, claims or suits for damages including but not limited to loss of property, goods, wares or merchandise, caused by, arising out of or in any way connected with the exercise by Renter of the privileges herein granted.
12. Renter further agrees to not sell, exchange or barter, or permit his employees to sell, exchange or barter, any licenses or permits issued to Renter or its employees.
13. It is mutually understood and agreed that this contract or the privileges granted herein, or any part thereof, cannot be assigned or otherwise transferred without the written consent of Association. Subleasing of the Premises is prohibited.
14. It is mutually understood and agreed that no alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the Parties hereto, and that no oral understanding or agreements not incorporated herein and no alterations or variations of the terms hereof, unless made in writing and signed by the Parties hereto, shall be binding upon any of the Parties hereto.
15. The Rules and Regulations printed on the next page are made a part of this Agreement as though fully incorporated herein, and Renter agrees that he has read this Agreement and the said Rules and Regulations and understands that they shall apply, unless amended by mutual consent in writing of the Parties hereto.
16. In the event Renter fails to comply in any respect with the terms of this Agreement and its Exhibits referred to herein, all payments under this Agreement shall be deemed earned and non-refundable by Association, and Association shall have the right to occupy the Premises in any manner deemed for the best interest of Association.
17. Special Provisions: **The Event Sales & Services Policies & Procedures Handbook does hereby become a part of this Agreement by reference and is on file with the Association. By signing the Agreement, Renter acknowledges that they have read the Event Sales & Services Policies & Procedures Handbook and agrees to abide by said Policies and Procedures.**
<https://ocfair.com/wp-content/uploads/2018/10/PoliciesProceduresBooklet2018v2.pdf>
18. This Agreement is not binding upon Association until it has been signed by its authorized representative.

IN WITNESS WHEREOF, the Parties hereto have affixed their signatures on the date shown below. The signatories represent and warrant that they were duly authorized by their respective governing bodies to execute this Agreement and the Parties hereby agree to all the terms and conditions set forth in this Agreement.

First and Last Name
Street Address
City State Zip
Phone Number

32nd District Agricultural Association
88 Fair Drive
Costa Mesa, CA 92626

By: _____ Date: _____
Title: First and Last Name, Renter

By: _____ Date: _____
Title: Michele Capps, Chief Business Development Officer

arranged and clean. All concessions must be clean, all coverings removed, and the concessions ready for business each day at least one hour before the Association is open to the public.

Receptacles will be provided at several locations to receive Renter's trash, and such trash must not be swept into the aisles or streets or any public areas.

17. All sound-producing devices used by Renter within the Premises must be of such a nature and must be so operated as not to cause annoyance or inconvenience to patrons or to other concessionaires or exhibitors. The decision of Association as to the desirability of any such sound-producing device shall be final and conclusive. Sound-amplification equipment may be installed only by first obtaining written permission from Association.
18. Renter agrees that there will be no games, gambling or any other activities in which money is used as a prize or premium, and that Renter shall not buy and/or permit "buy backs" for cash, any prizes or premiums given away to patrons. Only straight merchandising methods shall be used and all methods of operations, demonstration and sale, shall be subject to the approval of the Association and the local law enforcement officials.
19. Renter is entirely responsible for the Premises and agrees to reimburse Association for any damage to the real property, equipment, or grounds used in connection with the Premises, reasonable wear and tear excepted. Renter agrees to inspect the conditions of the Premises and of all property it will use on the Premises, including but not limited to equipment, furniture or other personal property owned by Association, and to be entirely responsible for the use of the Premises and such property.
20. Association may provide watchman service, which will provide for reasonable protection of the property of Renters, but Association shall not be responsible for loss or damage to the property of Renter.
21. Each and every article and all boxes, crates, packing material, and debris of whatsoever nature must be removed from the Premises by Renter, at Renter's own expense, upon expiration or earlier termination of this Agreement.
22. No Renter will be permitted to sell or dispose of anywhere on the Fairgrounds alcoholic beverages as defined in the Alcoholic Beverage Control Act unless Association authorizes Renter in writing and unless Renter holds a lawful license authorizing such sales on the Premises.
23. All safety orders of the Division of Industrial Safety, Department of Industrial relations must be strictly observed.
24. Failure of Association to insist in any one or more instances upon the observance and/or performance of any of the terms and conditions of this Agreement shall not constitute a waiver of any subsequent breach of any such term and condition.

RULES AND REGULATIONS GOVERNING RENTAL SPACE

1. No Renter will be allowed to use rental space until all the preliminary requirements herein set forth have been complied with.

2. Renter will conduct his business in a quiet and orderly manner; will deposit all rubbish, slop, garbage, tin cans, paper, etc. in receptacles provided by the Association within Premises plot for such purpose, and will keep the area within and surrounding Premises free from all rubbish and debris.

3. All buildings, temporary tents, or enclosures erected by Renter shall have the prior written approval of Association and the local fire suppression authorities. Renter shall not affix any fixtures to the Premises without the written preapproval of the Association and if the removal of the fixture may be affected without injury to the Premises. Upon request, Renter will furnish Association with a list of all sales prices and other charges of any kind whatsoever to be charged by the Renter. If Renter is a food serving concession and not restricted to specific items, Renter shall submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation. Upon request, Renter must furnish to Association receipts for license fees, tax deposits, insurance, etc., prior to event.

4. Renter will conduct the privileges granted in this Agreement according to all the rules and requirements of applicable state and local health authorities, and without infringement upon the rights and privileges of others; will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is sold by Association, nor engage in any other business whatsoever upon or within said Premises or Fairgrounds, except that which is herein expressly stipulated and contracted for; will confine said transactions to the Premises and privilege provided in the Agreement, and that any and all exclusives granted Renter shall not include the Carnival and the Carnival Area.

5. Association will furnish necessary janitor service for restrooms, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly arranged and clean. Receptacles will be provided at several locations to receive Renter's trash, and such trash must not be swept into the aisles or streets or any public areas.

6. All sound-producing devices used by Renter within the Premises must be of such a nature and must be so operated, as not to cause annoyance or inconvenience. The decision of Association as to the desirability of any such sound producing device shall be final and conclusive. Sound-amplification equipment may be installed only by first obtaining written permission thereof from Association.

7. Renter is entirely responsible for the Premises and agrees to reimburse Association for any damage to the real property, equipment, or grounds use in connection with the Premises, reasonable wear and tear expected. Renter agrees to inspect the conditions of the Premises and of all property it will use on the Premises, including but not limited to equipment, furniture or other personal property owned by Association, and to be entirely responsible for the use of the Premises and such property.

8. Association may provide watchman service, which will provide for reasonable protection of the property of Renters, but Association shall not be responsible for loss or damage to the property of Renter.

9. Each and every article and all boxes, crates, packing material, and debris of whatsoever nature must be removed from the Premises by Renter, at Renter's own expense, upon expiration or early termination of this Agreement. It is understood that in the event of Renter's failure to vacate said Premises herein provided, unless permission in writing is first obtained, Association may and is hereby authorized and made the agent of Renter to remove all remaining material of any nature whatsoever, at the Renter's risk and expense, and Renter shall reimburse Association for expenses thus incurred.

10. No Renter will be permitted to sell or dispose of anywhere on the Premises alcoholic beverages as defined in the Alcoholic Beverage Control Act, unless Association authorizes Renter in writing and unless Renter holds a lawful license authorizing such sales on the Premises.

11. All safety orders of the Division of Industrial Safety, Department of Industrial Relations, must be strictly observed.

25. This Agreement shall be subject to termination by either party at any time prior to or during the term hereof by giving the other party notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the Association of any further performances of the terms of this agreement.

26. The Association shall have the privilege of inspecting the Premises covered by this agreement at any time or all times. Association shall have the right to retain a key to the Premises and may enter with at least 24-hour written notice to Renter.

27. Renter recognizes and understands that this rental may create a possessory interest subject to property taxation and that Renter may be subject to the payment of property taxes levied on such interest.

28. The Parties hereto agree that Renter, and any agents and employees of Renter, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of Association.

29. Time is of the essence of each and all the provisions of this agreement, and the provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

30. It is mutually agreed that this Agreement or the privileges granted herein, or any part thereof, cannot be assigned or otherwise transferred without the written consent of Association. Subleasing of the Premises is prohibited.

31. It is mutually understood and agreed that no alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the parties, hereto, and that no oral understandings or agreements not incorporated herein and no alterations or variations of the terms hereof, unless made in writing and signed by the parties hereto, shall be binding upon any of the Parties.

32. In the event Renter fails to comply in any respect with the terms of this Agreement and its Exhibits referred to herein, all payments under this Agreement shall be deemed earned and non-refundable by Association, and Association shall have the right to occupy the Premises in any manner deemed for the best interest of Association.

33. Renter shall abide by the additional terms and conditions indicated in the following Exhibits, attached to this Agreement and incorporated by these references:

Map of Fairgrounds Depicting Premises	Exhibit A
California Fair Services Authority Insurance Requirements	Exhibit B
_____	Exhibit _____
_____	Exhibit _____
_____	Exhibit _____

12. Failure of Association to insist in any one or more instances upon the observance and/or performance of any of these terms and conditions of this Agreement shall not constitute a waiver of any subsequent breach of any such rules and regulations.

13. This Agreement shall be subject to termination by either party at any time prior to or during the term hereof by giving the other party notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the Association of any further performance of the terms of this Agreement.

14. "Contractor, by signing this contract, does swear under penalty that no more than one final unappealable finding of contempt of court by a Federal court has been issued against that contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of the National Labor Relations Board (Government Code Section 14780.5) (SAM Sec. 12127)."

15. Renter recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that the Renter may be subject to the payment or property taxes levied on such interest.

16. The Association shall have the privilege of inspecting the Premises covered by this Agreement at any time or all times. Association shall have the right to retain a key to the Premises and may enter with at least 24-hour written notice to Renter.

17. The Parties hereto agree that Renter, and any agents and employees of Renter, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of Association.

18. Time is of the essence of each and all the provisions of this Agreement, and the provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

19. OCFEC prohibits the use of all remotely controlled devices such as aircraft, cars, etc. No remotely controlled aircraft or ground vehicle devices are authorized to operate on, above or below OCFEC property at any time without the express consent of the OCFEC and/or the proper law enforcement authority. This procedure includes, but is not limited to unmanned aircraft systems, radio-controlled model aircraft, other devices that can be operated in airspace and remotely controlled cars/ground vehicles. Possession or operation of such remotely controlled aircraft or ground vehicle devices without prior written consent will result in the confiscation of all related materials, removal from OCFEC property, and/or a response from applicable law enforcement authority.

Memo for Fair Management: Hazardous Agreements. If this Agreement provides for a hazardous activity, the current Form FE-13, Statement Regarding Insurance, must be attached to each copy and incorporated by reference in Paragraph 11 of page two.

By state law and in the interest of public health, smoking shall not be permitted in or within 20 feet of any State of California building, including the Santa Ana Pavilion area, OC Promenade area, Centennial Farm, Kidland carnival area, the Livestock area, Pacific Amphitheatre seating area, and Arena grandstand and bleacher seating areas. This policy includes the use of electronic cigarettes, vaporizers and oil/wax pens.

34. This Agreement is not binding upon Association until it has been signed by its authorized representative.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures on the date shown below. The signatories represent and warrant that they were duly authorized by their respective governing bodies to execute this Agreement and the Parties hereby agree to all the terms and conditions set forth in this Agreement.

INDIVIDUAL NAME

BUSINESS NAME

Address

City, State Zip

Phone

Email

Signature

Title

Date

DISTRICT AGRICULTURAL ASSOCIATION

FAIRGROUNDS

Address

City, CA Zip

Phone

Email

Signature

Title

Date

EXHIBIT "A"

DATE(S) OF EVENT: June 15, 2024 and ending December 31, 2024

LOCATION(S):

OC Fair & Event Center (OCFEC) – 905 Arlington Drive, Costa Mesa, CA 92626, Gate 9

RENTER AGREES:

1. That the term of this Agreement is from June 15, 2024 through December 31, 2024.
2. Renter (Boarder or Trainer) rents from OCFEC, and OCFEC agrees to provide boarding services and facilities (listed in Rental Agreement) to Renter for one or more of Renter's horses at OCFEC's customary rates and charges. OCFEC's customary rates and charges are set forth in the Schedule of Fees (Exhibit W) in effect on the date of this Agreement, and that Schedule of Fees is incorporated herein by reference. OCFEC reserves the right to change its customary charges on 30 days' notice. Renter agrees to pay all charges for board and other goods and livestock services at OCFEC's then current rate. This is a month-to-month agreement which may be terminated by either party on 30 days' written notice, subject to the provisions of #8 and #9 of Rental Agreement.
3. Monthly boarding fees for each horse boarded (for box stall, feed, tack room, locker, non-OCFEC owned storage container, and/or horse trailer parking) shall be paid in advance and those charges are due on the 1st day of each month. Renter will receive an itemized statement of the monthly charges and may opt for paperless billing in lieu of receiving paper statements. All such charges, and all other charges for livestock goods and services provided hereunder and for use of OCFEC's facilities are payable on the first day of each month for the preceding month. Checks should be made payable to the "OC Fair & Event Center". All charges not paid in full by the 7th of any month shall be delinquent, and a late payment penalty of \$3.00 per day will accrue beginning the 8th day of the month. A minimum two weeks' notice is required when vacating horses, tack rooms, lockers or trailers from the OCFEC, and no horse or trailer shall leave the OCFEC until all charges are paid in full. There shall be no exceptions to this payment policy without prior arrangements with OCFEC management.
4. Renter must provide proof of insurance. Insurance requirements can be found in Exhibit B.
5. Any costs or expenses associated with damage to the facility, unless normal wear and tear, caused either directly or indirectly by renter, his or her affiliates, including any employees, assistants, agents, family members, or guests will be the sole responsibility of the renter.
6. Due to office/facility space limitations, OCFEC will not be accepting any mail or serve as a clearinghouse for Renters. Please make arrangements to have personal mail/packages delivered to your home, PO Box, etc.
7. Boarding of horse(s) and use of OCFEC facilities and livestock services shall be subject to these General Rules and Regulations in addition to the other terms and conditions herein.

EXHIBIT C
EVENT & EVENT RENTAL CONTRACT TERMS AND CONDITIONS
(FOR EVENTS THAT REQUIRE SECURITY ONLY)

1. Renter shall provide licensed and bonded security during the event at a ratio of one guard per _____ attendees.

OCFEC may, at its discretion, change these General Rules and Regulations from time to time, and Renter agrees to be bound by and observe the General Rules and Regulations as they may, from time to time, be published by OCFEC.

8. Renter agrees to abide by COVID related health directives, if any, in place during the contract period
9. For any emergency where medical attention is needed, please call OCFEC Public Safety at 714-708-1588.

10. General Rules and Regulations

- a. OCFEC facilities are for the use of Renter and their affiliates, including any employees, assistants, agents, students, family members and guests. Renter shall be solely responsible for the direction, conduct, and control of all affiliates, including any employees, assistants, agents, students, family members and guests. Renter assumes full and sole responsibility for the payment of all wages, benefits, and expenses, in addition to any other obligation owed to his or her employees, assistants, agents, students or other outside service provider. OCFEC reserves the right to refuse admittance of renters' affiliates, including any employees, assistants, agents, students, family members and guests, and require them to leave the OCFEC premises if their conduct does not conform to these General Rules and Regulations and good social behavior. Disregard or violation of these General Rules and Regulations may, at OCFEC's discretion, result in the immediate expulsion of the renters' affiliates, including any employees, assistants, agents, family members and guests. When renter and any affiliates, including any employees, assistants, agents, family members and guests enters the OCFEC grounds, renter assumes responsibility for injury to self, affiliates, including any employees, assistants, agents, family members, guests and horse. Because of the unpredictable nature of the large and strong animal you have chosen to associate with, your safety from injury cannot be assured. Therefore, with respect to these obvious and clear dangers, any horse can kick, bite, bolt, and run, thus subjecting you to injury from your and others' horses, unless you remain constantly alert to these and all other hazards while on OCFEC grounds.
- b. All Renters' affiliates, including any employees, assistants, agents, students, family members and guests shall observe and practice good social behavior. Please be mindful of language used while on property. Theft, use of alcohol or narcotics, flagrant damage of or destruction of OCFEC property or renter's property, vandalism, abuse of animals, physical or verbal abuse of other renters, staff or contractors, or violation of any term or condition of this Agreement, including the General Rules and Regulations, may result, at OCFEC's discretion, in immediate expulsion from the OCFEC. In such event, renter's horse will be maintained until Renter makes other arrangements for its care, and any refund due will be made on a pro-rated basis. OCFEC and its managers and employees shall have the sole discretion and authority to interpret and enforce the provisions of this Agreement.

EXHIBIT D
FAIRTIME/ COMMERCIAL EXHIBITORS & CONCESSIONAIRES
CONTRACT TERMS AND CONDITIONS

1. Association shall have the right to audit and monitor any and all sales as well as access to the premises.
2. Upon request, Renter will furnish Association with a list of all sales prices and other charges of any kind whatsoever to be charged by the Renter. If Renter is an eating concession and not restricted to specific items, Renter shall submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation. Upon request, Renter must furnish to Association receipts for license fees, tax deposits, insurance, etc., prior to the event.
3. Renter will post in a conspicuous manner at the front entrance to the concessions, a sign showing the prices to be charged for all articles offered for sale to the public. The size of said sign, manner and place of posting shall be pre-approved by Association.
4. Association will furnish necessary janitor service for all aisles, streets, road, and areas used by the public, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly arranged and clean. All concessions must be clean, all coverings removed, and the concessions ready for business each day at least one hour before the Association is open to the public. Receptacles will be provided at several locations to receive Renter's trash, and such trash must not be swept into the aisles or streets or any public areas.
5. Renter agrees that there will be no games, gambling or any other activities in which money is used as a prize or premium and that Renter shall not buy and/or permit "buy backs" for cash, any prizes or premiums given away to patrons. Only straight merchandising methods shall be used and all methods of operations, demonstration, and sale shall be subject to the approval of the Association and the local law enforcement officials.

11. Facility Use Rules

- a. Renter and affiliates shall comply at all times with the facility use rules.
- b. Public events such as shows, parades, clinics, open houses, tours, etc., in which the general public (persons that are not regular clients and or students of renters), hosted by any renter at the equestrian center facility must be approved by the OCFEC at least 30 days prior to event taking place. Such events are subject to the same rules & regulations as all other events taking place on the fairgrounds, including but not limited to payment of required rental fees set forth for the facility, providing proof of insurance for event (insurance requirements can be found in Exhibit B), submission of liability waivers from participants, and securing Temporary Food Permits (TFF) through OC Health Care Agency, if food is being served to the public. No exceptions. Disregard or violation of this rule may, at OCFEC's discretion, result in the immediate expulsion of renter(s).
- c. Never talk on the phone or text while mounted or driving a horse.
- d. Trotting or running horses will not be permitted outside of an arena.
- e. Minor children must be kept under constant supervision of parent or guardian.
- f. For safety, no riding double.
- g. No glass containers are be allowed on the grounds.
- h. Renter and/or affiliates may clean stalls before or after the daily cleaning, but shall deposit material in one of the corners of the stall for convenient removal at the next cleaning.
- i. For everyone's safety, horses should not be ridden with just a halter. Please use headstall with proper control devices.
- j. Horses are not allowed to be loose, nor are they allowed to freely roam.
- k. No stallions are allowed on the property.
- l. Dogs:
 - i. Individuals: No dogs are allowed on the property.
 - ii. Trainers: are the only ones allowed to have dogs on property. Trainers are allowed to have 3 dogs maximum, registered with the center office. Dogs must be on leash at all times and must be well-behaved, no barking. Dogs are not allowed in arenas, turnouts, round pens and near lessons. Dogs should be kept in tack rooms and are the sole responsibility of the trainer. Trainer must be on site when dogs are on property. Trainer's employees, clients, guest, assistant trainers, staff or affiliates are not allowed to bring their personal dogs. Dogs must be cleaned up after. Any violation of these rules will result in non-compliance fee.
- m. Parking and Speed Limit:
 - i. Speed limit on OCFEC premises is 3 miles per hour in all driveways and parking lots.
 - ii. Private vehicles must be parked in center designated parking lot and parking stalls. Parking on grass areas, aisleways, by barn stall/arenas/storage containers, etc. is NOT permitted.
 - iii. Vehicles parked in an area not permitted shall be at risk of being towed at the owner's expense and a non-compliance fee applied.
 - iv. NO overnight vehicles allowed without the expressed written consent of the OCFEC.

- n. No smoking/vaping is permitted.
- o. Pick up all manure dropped while grooming, washing or walking your horse(s) around the barn areas immediately. Any mane pullings should be swept up and disposed of in the trash receptacles.

12. Arena Rules

- a. When entering an arena, a rider should make sure they are seen and wait for a break in the traffic to enter.
- b. Horses or riders who are obviously inexperienced or are having difficulty deserve the right-of-way and lots of space. Cut across the arena or circle accordingly. When overtaking someone from behind, pass them wide, about a horse length away, more if the horse is obviously upset by your move. When meeting someone head on, pass left hand to left hand, or on the right as you would in a car. Again, pass at a comfortable distance.
- c. Do not stop on the rail for anything except schooling, and then, not for long periods of time. As a general rule, faster traffic should pass to the inside track, slower horses on the outside track (the rail).
- d. Riders must wear a helmet that meets the American Society of Testing and Materials (ASTM) standards (or any other nationally recognized standard for equine helmets) which is properly fitted and fastened securely upon the rider's head by a strap when riding horses. No jumping at any time without protective headgear, shoes with heels, and full tack. Be aware of horses on course and anticipate their direction of travel. Do not stand or sit on or near the arena rails.
- e. Rules for each arena are posted at each arena entrance. The course may be changed or jump poles relocated. Arena is to be returned to its original position as soon as user is finished. Any pole or standard dislocated shall be replaced immediately. Horses are not to be turned out in these arenas.
- f. Availability of arenas will be based off OCFEC's public program needs. Notification regarding arena availability and/or closures will be communicated to Renters.

13. Tack Room Rules

- a. No space heaters allowed in any tack room space.
- b. No overnight stays allowed.
- c. No modifications of any kind can be done without the expressed written consent of the OCFEC.
- d. Renters are responsible for their own equipment and the general order of their tack room space.
- e. Do not stack items in and around aisle ways. Please make sure all your personal items are out of the way of others and clear from horses.
- f. Trash should be placed in designated waste bins.
- g. Renters with tack room space must comply with all California State Fire Codes. Any appliances (refrigerator, freezer, microwave or fan) must plug directly into an outlet (no extension cords, power strips or outlet splitters). Management will remove fire hazards at their discretion and a non-compliance fee will be applied.
- h. Tack rooms with electrical panels require 3 feet of clearance and transformers need 12 inches of clearance. Management will remove fire hazards at their discretion and a fine

will be applied. Management reserves the right to enter tack rooms with electrical panels without notice for electrical needs.

- i. Tack room locks: Code or copy of key must be provided to the center office. OCFEC staff will give notice to enter tack room, except in an emergency situation.

14. Barn Aisles

- a. Feed and tack must be in a secure container and the containers must be kept in good shape.
- b. Feed and tack containers must conform to the following standards:
 - i. No items may extend more than 34 inches from the stall or tack room.
 - ii. No writing on any of the feeders or stalls. If there is a need to have notes for trainers, groomers, etc., please use a small dry-erase board.
 - iii. Feed stickers must be visible.

15. Common Areas

- a. Common areas are considered to be grass spaces, barn aisles, etc. Common areas are available for ALL tenants to use and no one is to claim any additional spaces, outside of spaces that are paid for by tenants (these include box stalls, tack rooms, horse trailer parking, lockers and/or non-OCFEC owned storage containers on approved list).
- b. Storage Containers in common spaces must receive permission from OCFEC management before any containers are brought in and/or moved. Approved (non-OCFEC owned) storage containers will be inventoried and labeled by the office. Fees will be assessed based on size (refer to Exhibit W).
- c. Plants: While some plants can add to beautification of areas, having too many can also allow for hiding spaces for insects and rodents. Additionally, some plants are unkempt and/or have broken pots. This is especially true of some Ficus plants. We will allow for plants to remain within the following guidelines:
 - i. Plants can only be placed in front of your stall or tack room, with plants extending no more than 16 inches out from your stall or tack room. NO plants should be placed at ends of barns regardless if your stall or tack room is an end unit.
 - ii. NO hanging plants/pots allowed.
 - iii. Plant size limited to up to a 5-gallon pot.
 - iv. Plant pots/containers must be placed atop a brick base to prevent roots from establishing themselves.
 - v. Containers/pots must not be cracked/broken.
 - vi. NO empty plant pots/containers allowed.
 - vii. Plants must be maintained.
 - viii. Dead plants and/or any of the plants not meeting the above criteria will be removed by OCFEC management.
- d. Furniture (canopies, benches, chairs and tables): If you place canopies, benches, chairs and/or tables in common spaces they are for ALL to use. While using benches, chairs and tables, please be respectful and leave furniture where you found it. Furniture should be placed in non-invasive locations and will be moved by OCFEC management if location is not appropriate or causes safety issues. OCFEC management does not assume any responsibility for broken, lost, damaged, etc. to personal furniture. Canopies

must be fire-retardant, label indicating material of canopy is fire-retardant must be visible and/or provided for fire inspections. Canopies must be secured properly via weights or staked into the ground.

- e. Shade Cloth: Shade cloth placed in common arenas need to be approved by EQC management. Shade cloth must be fire-retardant and kept in good condition. Label indicating material of shade cloth is fire-retardant must be visible and/or provided for fire inspections.
- f. Miscellaneous: Additional items e.g., bird feeders, pet waste stations, wind chimes/spinners, etc. are NOT allowed to be placed in common areas.

16. Hot Walkers

- a. Hot walker use is limited to one-half hour. Renter shall be respectful of, and use courtesy, when other renters are waiting. No horse shall be left on a non-moving hot walker.

17. Wash Racks

- a. Wash racks are provided on an "as available, first-come, first-served" basis. User shall shut off the valve when finished. Drying of horses on the wash rack is not permitted when others are waiting.

18. Horse Shoeing

- a. All shoeing, trimming and resets will be done in the shoeing racks only. There are no exceptions without prior arrangements with OCFEC management.

19. Horse Trailers

- a. Due to a limited number of parking spots on OCFEC property, renters may not store their horse trailers on OCFEC property unless a parking spot and permit are assigned to them by OCFEC. A monthly charge will be assessed for any horse trailer stored on OCFEC property as set forth in the current Schedule of Fees (Exhibit W). OCFEC does not accept liability for any theft or damage to trailers.

20. Possessory Lien

- a. Renter acknowledges that, pursuant to Civil Code Sections 3080-3080.22, OCFEC shall have a lien on your horse(s) for money which may become due for providing livestock services. Pursuant to this statutory lien, OCFEC has the right to take possession and control of the horse(s) and associated equipment for the purpose of securing the obligation to pay board fees. Other charges for livestock services shall continue during OCFEC's possession, even though you may be refused access to or use of the horse(s), and that OCFEC has the right to sell your horse(s) and/or equipment to satisfy its lien and for costs of sale.

21. Trainers

- a. Trainers are defined as equestrian professionals who provide equine training and care services which may include: Training of horses, instruction to riders, grooming and care services, and other services related to the management of horse and rider. The

scope of services is to be determined between the Service Provider and the horse owner or student as appropriate.

- b. Trainers are subject to a Facility Use Fee (refer to Exhibit W).
- c. One (1) banner no larger than 12 feet long by 3 feet tall is allowed per Trainer on the official center training list. OCFEC staff to approve location and placement of banner.
- d. All Trainers must have a signed rental agreement and certificate of liability to conduct business on property.
- e. Trainers are responsible to communicate and implement facility rules and regulations to their clients, guests, assistant trainers, staff and affiliates.

22. Cameras

- a. Prior to installation, a written request must be submitted to the OCFEC for approval to place a camera in a stall.
- b. Cameras may only be installed for specific purposes such as security and/or monitoring the health and safety of the horse.
- c. Cameras are permitted only inside the stall and must be positioned to face your horse. Additionally, a sign must be prominently placed outside the stall stating, "Warning, Security Camera In Use" or similar in nature, by the owner.
- d. Cameras must not be directed towards aisle ways or common areas. These rules are implemented to ensure the privacy of all individuals within the property.

23. Security Deposit

- a. Security deposits are required.
- b. The security deposit may be used for the purpose of repairing damage for which the tenant is responsible (beyond normal wear and tear), outstanding feed bills, etc. The tenant shall conduct a pre-moveout inspection of the stall(s) BEFORE moving out at which time management shall inform the tenant of needed repairs in writing. The tenant shall have the right to make any repairs identified at the pre-move out inspection at his/her expense before the move out date without deduction from the security deposit. Within 30 days, management shall return the deposit. If any deductions are made, management shall provide the tenant with an itemized statement of expenses and receipts for cleaning or repairs for which deductions were made from deposit.
- c. Security deposit requirements are as follows:

TYPE	SECURITY DEPOSIT REQUIREMENT*
Box stall(s)	Equal to 50% of one (1) month's rent (Based on stall size. For example, if a horse will be boarded in a 12'x12' box stall, deposit shall be \$378 [based on rate of \$756 effective 6/15/24]).
Tack Room	Equal to 50% of one (1) month's rent.
Locker (OCFEC owned)	Equal to 50% of one (1) month's rent.
	*50% deposit requirement will be based off current rates (Exhibit W) per move-in.

OCFEC AGREES:

1. To provide center office hours which will be as follows: Monday through Saturday, from 8:30 a.m. to 5:00 p.m., and closed on Sundays. The office will be closed on holidays. Office hours may vary during the annual OC Fair and for District-run public program needs.
2. Facility access generally allowed between 6 a.m. and 10 p.m. for Renters and/or their affiliates. Access to arenas, round pens and other facility areas may vary based on District-run public program needs and notification of such will be communicated to Renters. All outside arena lights will be turned off at 10 p.m. For after hour emergencies, please call OCFEC Public Safety at 714-708-1588.
3. To provide entry to the Equestrian Center property through Gate 9, off Arlington Drive. Should Gate 9 need to be closed, Renter will be provided with alternate Gate access for entry.
4. To provide parking pass(es) to Renter. During the annual OC Fair, due to tighter parking access/restrictions, special parking passes will be issued to Renter.
5. To provide services (through outside Contractor) for Animal Feeding, Box Stall Cleaning and Arena Maintenance. The current Schedule of Fees will reflect the type of feed available and the associated cost (Exhibit W). Renter must notify OCFEC management and make appropriate arrangements for any adjustment in feeding.

**INSURANCE REQUIREMENTS
(revised effective January 1, 2023)****I. Evidence of Coverage**

The contractor/renter shall provide a signed original evidence of coverage form for the term of the contract or agreement (hereinafter "contract") protecting the legal liability of the State of California, the California Fair Services Authority, District Agricultural Associations, County Fairs, Counties in which County Fairs are located, Lessor/Sublessor if fair site is leased/subleased, Citrus Fruit Fairs, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees, from occurrences related to operations under the contract. This may be provided by:

A. Insurance Certificate - The contractor/renter provides the fair with a signed original certificate of insurance (the ACORD form is acceptable), lawfully transacted, which sets forth the following:

1. List as the Additional Insured: "That the State of California, the California Fair Services Authority, the District Agricultural Association, County Fair, the County in which the County Fair is located, Lessor/ Sublessor if fair site is leased/subleased, Citrus Fruit Fair, California Exposition and State Fair, or Entities (public or non-profit) operating California designated agricultural fairs, their directors, officers, agents, servants, and employees are made additional insured, but only insofar as the operations under this contract are concerned."
2. Dates: The dates of inception and expiration of the insurance. **For individual events, the specific event dates must be listed, along with all set-up and tear down dates.**

3. Coverages:

- a. General Liability - Commercial General Liability coverage, on an occurrence basis, at least as broad as the current Insurance Service Office (ISO) policy form #CG 00-01. Limits shall not be less than for the limits in the CDSA Hazardous/Nonhazardous Activities List which includes, but is not limited to, the following: **\$5,000,000 per occurrence** for Carnival Rides and for Freefall Attractions (elevated jumps involving airbags); **\$5,000,000 per occurrence** for the following types of Motorized Events: Automobile races, drifting exhibitions, burnout contests/competitions, truck rodeos, tractor/truck pulls, destruction derbies, RV destruction derbies, mud bogs, mud racing, car crunches, monster truck shows, automobile thrill shows, figure 8 racing, stock car racing, tuff trucks, boat races, autocross, dirt racing, oval track, sprint cars/410 sprints, modified, super stock, mini-stock, dwarf cars, micro lights, endure, pro stock. **\$3,000,000 per occurrence** for the following types of Motorized Events: motorcycle racing, flat track motorcycle racing, arena-cross, freestyle motocross, motorcycle thrill shows and stunt teams, ATV, sand drags, go karts, snowmobile races, quarter midget races, golf cart races, Redneck Roundup (ATVs), lawnmower races. **\$3,000,000 per occurrence** for Rodeo Events all types with a paid gate and any Rough Stock Events such as Bull Riding, Bareback, Saddle

Bronc, or Mutton Busting; **\$2,000,000 per occurrence for the following:** Concerts: 2,000 and more attendees; Extreme Attractions*: All Types, including but not limited to bungee attractions, ejection seats, sky scrapers, Trampoline Things/quad jumpers, zip line or similar attractions requiring a Cal/OSHA permit to operate; Fair time Kiddie Carnival Rides: Up to 6 kiddie rides (includes book-in rides); Interim Carnival Rides; Extreme Attractions; Law Enforcement: All types, including but not limited to city police, county sheriff, California Highway Patrol, county probation, California Department of Corrections, state or federal military. Mutual indemnification in the contract may substitute for coverage with written approval from CFSA. Mechanical Bulls; Motorized Events: Car jumping contests/demonstrations of hydraulic modifications to automobiles; Rave Type Events: Any dance or concert which extends beyond midnight; Rodeo Events: All Types without a paid gate and with any Rough Stock Events such as Bull Riding, Bareback, Saddle Bronc, or Mutton Busting; Simulators; **\$1,000,000 per occurrence** for Rodeo Events All Types **without** any Rough Stock Events but including barrel racing, penning, and roping; **\$1,000,000 per occurrence** for all other contracts for which liability insurance (and liquor liability, if applicable) is required.

The Certificate of Insurance shall list the applicable policy forms, including endorsements. Any exclusions or coverage limitations, including sub-limits, that apply to the contractor/renter's activities, or business to be conducted under the contract or rental agreement/lease, must be listed in the Certificate of Insurance. If there is a self-insured retention or deductible in the contractor/renter's coverage equal to or in excess of \$100,000, the self-insured retention/deductible amount shall be included as part of the Certificate of Insurance. A copy of the contractor/renter's policy declaration page containing this information as an attachment/exhibit to the Certificate of Insurance will be acceptable, provided it contains all the aforementioned information.

- b. **Automobile Liability** - Commercial Automobile Liability coverage, on a per accident basis, at least as broad as the current ISO policy form # CA 00-01, Symbol #1 (Any Auto) with limits of not less than \$1,000,000 combined single limits per accident for contracts involving use of contractor vehicles (autos, trucks or other licensed vehicles) on fairgrounds.
- c. **Workers' Compensation** - Workers' Compensation coverage shall be maintained covering contractor/renter's employees, as required by law.
- d. **Medical Malpractice** - Medical Malpractice coverage with limits of not less than \$1,000,000 per occurrence shall be maintained for contracts involving medical services.
- e. **Liquor Liability** - Liquor Liability coverage with limits of not less than \$1,000,000 per occurrence shall be maintained for contracts involving the sale of alcoholic beverages.

4. Cancellation Notice: Notice of cancellation of the listed policy or policies shall be sent to the Certificate Holder in accordance with policy provisions.

5. Certificate Holder:

- For Individual Events Only - Fair, along with fair's address, is listed as the certificate holder.
- For Master Insurance Certificates Only - California Fair Services Authority, Attn: Risk Management, 1776 Tribute Road, Suite 100, Sacramento, CA 95815 is listed as the certificate holder.

6. Insurance Company: The company providing insurance coverage must be acceptable to the California Department of Insurance.

7. Insured: The contractor/renter must be specifically listed as the Insured.

OR

B. CFSA Special Events Program - The contractor/renter obtains liability protection through the California Fair Services Authority (CFSA) Special Events Program, when applicable.

OR

C. Master Certificates - A current master certificate of insurance for the contractor/renter has been approved by and is on file with California Fair Services Authority (CFSA).

OR

D. Self-Insurance - The contractor/renter is self-insured and acceptable evidence of self- insurance has been approved by California Fair Services Authority (CFSA).

II. General Provisions

1. Maintenance of Coverage - The contractor/renter agrees that the commercial general liability (and automobile liability, workers' compensation, medical malpractice and/or liquor liability, if applicable) insurance coverage herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires or is cancelled at any time or times prior to or during the term of this contract, contractor/renter agrees to provide the fair, prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of California Fair Services Authority, and contractor/renter agrees that no work or services shall be performed prior to the giving of such approval. In the event the contractor/renter fails to keep in effect at all times insurance coverage as herein provided, the fair may, in addition to any other remedies it may have, take any of the following actions: (1) declare a material breach by contractor/renter and terminate this contract; (2) withhold all payments due to contractor/renter until notice is received that such insurance coverage is in effect; and

(3) obtain such insurance coverage and deduct premiums for same from any sums due or which become due to contractor/renter under the terms of this contract

2. **Primary Coverage** - The contractor/renter's insurance coverage shall be primary and any separate coverage or protection available to the fair or any other additional insured shall be secondary.
3. **Contractor's Responsibility** - Nothing herein shall be construed as limiting in any way the extent to which contractor/renter may be held responsible for damages resulting from contractor/renter's operations, acts, omissions or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve contractor/renter of liability in excess of such minimum coverage, nor shall it preclude the fair from taking other actions available to it under contract documents or by law, including, but not limited to, actions pursuant to contractor/renter's indemnity obligations. **The contractor/renter indemnity obligations shall survive the expiration, termination or assignment of this contract.**
4. **Certified Copies of Policies** - Upon request by fair, contractor/renter shall immediately furnish a complete copy of any policy required hereunder, with said copy certified by the underwriter to be a true and correct copy of the original policy. Fairtime Carnival Ride contractors must submit copies of actual liability insurance policies, certified by an underwriter, to California Fair Services Authority (CDSA).

III. Participant Waivers

1. For hazardous participant events (see subsection 4. below), the contractor/renter agrees to obtain a properly executed release and waiver of liability agreement (Form required by contractor/renter's insurance company or CDSA Release and Waiver Form) from each participant prior to his/her participation in the events sponsored by contractor/renter.
2. Contractor/renter shall ensure that any party renting space from the contractor/renter with, or for, hazardous participant events (see subsection 4. below) obtains a properly executed release and waiver of liability agreement (Form required by contractor/renter's insurance company or CDSA Release and Waiver Form) from each participant prior to his/her participation in the events and provides a copy to the contractor/renter.
3. The contractor/renter shall provide copies of all executed release and waiver of liability agreements required under subsections 1. and 2. above to the Fair at the end of the rental agreement.
4. Hazardous participant events include, but are not limited to, any event within the following broad categories: Athletic Team Events; Equestrian-related Events; Extreme Attractions; Freefall Attractions; Mechanical Bulls; Simulators; Motorized Events; Rodeo Events; and Wheeled Events, including bicycle, skates, skateboard, or scooter. Contact California Fair Services Authority, Risk Management Department at (916) 921-2213 for further information and for CDSA Release and Waiver Form.

STANDARD CONTRACT TERMS AND CONDITIONS (F-31, RENTAL AGREEMENT)**1. National Labor Relations Board (PCC Section 10296)**

Contractor, by signing this contract, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal Court has been issued against contractor within the immediately preceding two-year period because of the contractor's failure to comply with an order of a Federal Court which orders the contractor to comply with an order of National Labor Relations Board (Public Contract Code Section 10296).

2. Resolution of Contract Disputes (PCC 10240.5, 10381)

If, during the performance of this agreement, a dispute arises between contractor and Fair Management, which cannot be settled by discussion, the contractor shall submit a written statement regarding the dispute to Fair Management. A decision by Fair Management shall be made to the Contractor in writing, and shall be final and conclusive. Contractor shall continue to perform contract requirements without interruption during the dispute period.

3. Non-Discrimination Clause

During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor 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. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

4. Amendment (GC 11010.5)

Contract modification, when allowable, may be made by formal amendment only.

5. Assignment

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

6. Termination

The State reserves the right to terminate any contract, at any time, upon order of the Board of Directors by giving the contractor notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the fair of any further payments, obligations, and/or performances required in the terms of the contract.

Contractor may submit a written request to terminate this agreement only if the State should substantially fail to perform its responsibilities as provided herein.

However, the agreement can be immediately terminated for cause. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of the contract. In this instance, the contract termination shall be effective as of the date indicated on the State's notification to the Contractor.

This agreement may be suspended or cancelled without notice, at the option of the Contractor, if the Contractor or State's premises or equipment are destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service, or in the event the Contractor is unable to render service as a result of any action by any governmental authority.

SCTC, F-31 (revised 10/01)

7. Governing Law

This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

8. Conflict of Interest (PCC 10410, 10411, 10420)

Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service. If

Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420).

9. Contractor Name Change

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

10. Air or Water Pollution Violation (WC 13301)

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

State of California Division of Fairs & Exposition SCTC, F-31 (revised 12/19)

EXHIBIT E

NOISE ORDINANCE:

A general awareness of all OC Fair & Event Center sound systems is important to understand the critical task of maintaining sound levels within a specific window for all areas in order to minimize the overall impact of sound from the OC Fair on surrounding neighborhoods.

OC Fair sound systems will have strict sound control measures in place.

ALL dB references are measured as FLAT response, NOT 'A' weighted. This applies to all dB levels referenced herein.

The OC Fair has a noise injunction specifically applied to the Pacific Amphitheatre. However, this applies to all events.

The injunction states that at a distant house (547 Serra Way) the level must not exceed 55 dB. The house is approximately 2,000 feet from the Grandstand Arena. The injunction applies to all sound emanating from the OC Fair, DURING Fair time.

For all year round events taking place outside of fair time, there is a 5 dB reduction in maximum levels. In other words, the 55 dB maximum is reduced to a 50 dB maximum.

There is a strict 10:00 p.m. curfew in effect unless an extension of curfew is approved in writing by the CEO or COO of the 32nd District Agricultural Association (District) prior to the event.

GENERAL SOUND LEVEL GUIDELINES, APPLIED TO ALL AREAS:

NOTE: outside of fair, all references to 55 db are lowered to 50 dB.

- 1) Maximum, broadband (20 Hz to 15 KHz) noise level, measured at FOH, will not exceed peaks of 92 dB under any circumstances.
- 2) Behind the stage, measured at noise level will not exceed peaks of 70 dB under any circumstances. This includes direct FOH system energy, stage monitors, backline equipment and any reflected energy from the surrounding buildings.
- 3) Note that the objective is to keep SPL at or below 55 dB in ALL areas where houses are located.
- 4) Any combination of 1or 2 above resulting in noise levels exceeding 55 dB in surrounding neighborhoods must result in a lowering of level until the level in the neighborhood is within compliance.

IN SUMMARY:

NOTE: outside of fair, all references to 55 db are lowered to 50 dB.

- 1) No more than 55 dB in any area where a home is located.
- 2) No more than 70 dB behind stages.
- 3) No more than 92 dB at FOH.
- 4) If any combination of the above results in greater than 55 dB in any area where housing is located, levels will be immediately decreased until compliance is met.

Measurements will be taken during each event to insure that the level is at or below an average of 92 dB at FOH, 70 dB at the rear of the stage.

Every effort will be taken by the Contractor to insure that the noise ordinance is strictly adhered to.

- 1) In all cases, apply reasonable care to:
 - a) Not interfere with surrounding vendors activities.
 - b) Maintain a level reasonably consistent with the program material and audience size to be covered.
 - c) At no time will the audio level exceed 90 dB 50 feet from the audio system.
 - d) If speakers are in close proximity to audience members, sound level 10 feet from speakers will not exceed 85 dB.
 - e) The Noise Injunction is to be respected and adhered to at all times.
- 2) Contractor is specifically responsible for insuring compliance as indicated herein.
- 3) Contractor will respond to requests from District personnel to reduce levels as required.



Exhibit F - Assembly Bill 1499

If you haven't already heard, the California Legislature enacted Assembly Bill 1499 (AB 1499). The bill became effective July 1, 2018 and requires retailers (commercial exhibitors/vendors, merchants, concessionaires, etc) who make sales of tangible personal property at a California state-designated fairground to separately report the sales amount on their Sales and Use Tax Return. The OC Fair & Event Center (OCFEC) is a California state-designated fairground. When you operate at the OCFEC as well as at other state-designated fairgrounds, on-premises sales that you and/or your vendors generate are to be reported separately for each specific fairground.

Please note that AB 1499 does not impact current state and local sales tax charged in Orange County or in other California locales. It does, however, direct the California Department of Tax and Fee Administration (CDTFA) to reallocate ¾ of 1% of the total amount of reported gross receipts and to appropriate these monies to the Fair and Exposition Fund for specified fairground operational and infrastructure needs projects. This funding contributes to upgraded fairground facilities that will help event producers and vendors grow their businesses.

Below are links to helpful information on how this may affect you and your vendors.

Please take the time to read through the information and pass along to all of your vendors who will be on OC Fair and Event Center property for your upcoming event.

If you or your vendors have any questions, please contact the California Department of Tax and Fee Administration's customer service line at 1-800-400-7115. Representatives are available Monday - Friday (except state holidays), from 8:00 a.m. to 5:00 p.m. (Pacific time).

California Department of Tax and Fee Administration
<http://www.cdtfa.ca.gov/industry/state-fairgrounds.htm>

California Legislative Information
http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1499

Westerns Fairs Association
<https://www.westernfairs.org/p/members/subsidiaries/cfa/ab1499>

Thank you for being a valued part of the OCFEC's Year Round Event Program and ensuring that all of your participating retailers are aware of and in compliance with AB 1499. We look forward to your upcoming events.





Exhibit W

Boarding Fee Stall Base Rates

	Current	6/15/2024	10/1/2024	1/1/2025
12' x 12' Single Box Stall	\$ 644	\$ 756	\$ 868	\$ 979
12' x 24' Double Box Stall	\$ 1,023	\$ 1,201	\$ 1,379	\$ 1,558

	Current	6/15/2024	10/1/2024	
Tack Room	\$ 358	\$ 394	\$ 433	Monthly
Horse Trailer Parking	\$ 138	\$ 152	\$ 167	Monthly

Facility Use Fee**

n/a	\$ 400	Monthly
-----	--------	---------

**Applies to any boarder offering paid lessons, training or programs.

Feed Prices per 1 portion (feed prices based on market rates)(See examples below)

Alfalfa	\$ 76	Portion/Monthly
Orchard	\$ 91	Portion/Monthly
Timothy	\$ 88	Portion/Monthly
Bermuda	\$ 71	Portion/Monthly
Cubes	\$ 50	Portion/Monthly

Example charges based off 6/15/24 rate:

Example 1. 12' x 12' Box stall + feeding of 2 flakes of alfalfa in AM and 1 flake of alfalfa in PM.

\$756 + \$76 + \$76 + \$76 = \$984 (3 portions of feed per month)

Example 2. 12' x 12' Box stall + feeding of 2 flakes of timothy in AM and 1 bucket of cubes in PM.

\$756 + \$88 + \$88 + \$50 = \$982 (3 portions of feed per month)

Any fraction of a portion will be charged as 1 portion.

*Please note that feed prices are subject to change based on fuel prices, market fluctuations and/or unforeseen economic circumstances.

Lockers (OCFEC owned)

	Current	6/15/2024	10/1/2024	
Locker	\$ 17	\$ 19	\$ 21	Monthly
Locker, Big	\$ 44	\$ 48	\$ 53	Monthly
Locker, Small	\$ 110	\$ 121	\$ 133	Monthly
Locker, Large	\$ 220	\$ 242	\$ 266	Monthly

*Locker availability is limited.

Storage Containers** (Non-OCFEC owned)

	Current	6/15/2024	10/1/2024	
Storage, Small (1 to 7.5 square feet)	n/a	\$ 25	\$ 28	Monthly
Storage, Medium (8 to 19.5 square feet)	n/a	\$ 50	\$ 55	Monthly
Storage, Large (20 to 25 square feet)	n/a	\$ 75	\$ 83	Monthly
Storage, XLarge (25.5 to 35 square feet)	n/a	\$ 100	\$ 110	Monthly

**Storage containers not included in fee and space availability is limited. Applies to privately owned storage containers placed in an area other than in front of your rental stall. OCFEC does not supply additional storage containers. Containers must be approved by OCFEC prior to placement. Any additional equipment not housed in a tack room/storage, OCFEC-owned locker, and/or privately owned storage container, are subject to fees.

Miscellaneous

Bag of Shavings	\$ 12	Per Bag
Non-compliance Fee	\$ 25 - 100	As needed
Other special requests (Labor only)	\$ 50	Per Hour

RELEASE AND WAIVER OF LIABILITY AGREEMENT

I, _____ ("Participant"), acknowledge that I have voluntarily applied to participate in the following activities at _____ OC _____ Fair (the "Fair"):

Horse riding and all related activities including, but not limited to, lessons, training, practices, Plessoning of any horses, or any other equestrian related activity involving instruction, guidance or direction by any individual, licensed or unlicensed, whether for compensation or not.

I AM AWARE THAT THESE ACTIVITIES ARE HAZARDOUS ACTIVITIES AND THAT I COULD BE SERIOUSLY INJURED OR EVEN KILLED. I AM VOLUNTARILY PARTICIPATING IN THESE ACTIVITIES WITH KNOWLEDGE OF THE DANGER INVOLVED AND AGREE TO ASSUME ANY AND ALL RISKS OF BODILY INJURY, DEATH OR PROPERTY DAMAGE, WHETHER THOSE RISKS ARE KNOWN OR UNKNOWN.

I verify this statement by placing my initials here: _____
Parent or Guardian's initials (if under 18): _____

As consideration for being permitted by the Fair, the State of California ("State"), the County of Orange _____ (the "County"), and any lessor of the fair premises ("Lessor"), to participate in these activities and use the Fair premises and facilities, I forever release the Fair, the State, the County, the Lessor, any fair affiliated organization, and their respective directors, officers, employees, volunteers, agents, contractors, and representatives (collectively "Releasees") from any and all liabilities, causes of action, lawsuits, claims, demands, or damages of any kind whatsoever that I, my assignees, heirs, distributees, guardians, next of kin, spouse and legal representatives now have, or may have in the future, for injury, death, or property damage, related to (i) my participation in these activities, (ii) the negligence or other acts of any Releasee, whether directly connected to these activities or not, and however caused, (iii) the negligence of any trainer or instructor involved in the abovementioned activities, or (iv) the condition of the premises where these activities occur, whether or not I am then participating in the activities. I also agree that I, my assignees, heirs, distributees, guardians, next of kin, spouse and legal representatives will not make a claim against, sue, or attach the property of any Releasee in connection with any of the matters covered by the foregoing release.

I HAVE CAREFULLY READ THIS AGREEMENT AND FULLY UNDERSTAND ITS CONTENTS. I AM AWARE THAT THIS IS A RELEASE OF LIABILITY AND A CONTRACT BETWEEN MYSELF AND THE FAIR, THE STATE, THE COUNTY, AND THE LESSOR, AND SIGN IT OF MY OWN FREE WILL.

Executed at _____ Orange _____, California on _____, 20____.

PARTICIPANT/RELEASOR

PARENT OR GUARDIAN

Signature

Address: _____

Signature

Address: _____

IF YOU ARE UNDER 18 YEARS OF AGE, YOU AND YOUR PARENT OR GUARDIAN MUST SIGN AND INITIAL THIS FORM WHERE INDICATED.



CONTRACT MANUAL

For District Agricultural Associations

Revised January 2010



California Department of Food & Agriculture
Division of Fairs and Expositions



TABLE OF CONTENTS

CHAPTER 1: GENERAL INFORMATION

1.00	Web Portal for Contract Information and Documents	7
1.05	What is a Contract?.....	8
A.	Services Contract or Purchase?.....	8
B.	119-Day Employees, Civil Service Employee, or Contractor?.....	8
C.	IRS Publication 1779 – Independent Contractor or Employee	9
D.	Personal Services Contract.....	9
E.	SS-8 Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding	10
1.10	Conflicts of Interest.....	15
A.	Current State Employees, Including 119-Day Employees (PCC §10410).....	15
B.	Former State Employees, Including 119-Day Employees (PCC §10411)	15
C.	Contracts for Consulting Services	15
1.15	Circumvention of Contracting Requirements	16
1.20	Contract Review and Approval.....	17
A.	Dollar Amount for Determining Approval Requirement	17
B.	Send to F&E.....	17
C.	Send to CFSA	17
D.	Neither F&E nor CFSA Approval Required	17
E.	Multi-Year Contract Renewal Insurance	17
1.25	DAA Board Approval of Contracts	18
A.	Delegation of Authority	18
B.	Suggested Delegation of Authority Format.....	19
C.	Board Resolution.....	20
D.	Suggested Board Resolution Format	20
E.	Contracts with Other Public Entities	21
1.30	Quarterly Reports	21
A.	Quarterly Contract Report Sample	22

1.35	Contract Management.....	23
A.	Contract Manager	23
B.	Contract Management Responsibilities/Procedures.....	23
C.	Contractor Performance.....	23
D.	Contract Manager Restrictions.....	24
E.	Ethics	24
CHAPTER 2: COMPETITIVE BIDDING REQUIREMENTS		
2.00	Contracts Exempt from Bidding.....	25
2.05	Bidding Requirements (PCC §10335).....	25
A.	Contracts \$5,000 and Under	25
B.	Contracts over \$5,000, and not Otherwise Exempt From Bidding.....	25
C.	Rental Agreements	25
2.10	Formal Bid Types.....	25
A.	Invitation for Bid (IFB)	25
B.	Request for Proposals (RFP)	25
2.15	Alternative Bid Process	26
2.20	Carnival Bid Requirements.....	26
A.	DAAs.....	26
B.	County and Citrus Fruit Fairs	27
2.25	Advertising in the California State Contract Register (CSCR) (PCC §10356).....	27
A.	Advertising for Fairtime Services.....	27
B.	Advertising for Non-Fairtime Services.....	27
C.	CSCR Blanket Ad for fairtime.....	28
2.30	Non-Competitively Bid Contract Requests (NCB)	29
2.35	Certified Small and Microbusiness Program.....	29
A.	Definitions	29
B.	How The Preference Works	30
C.	Small Business Preference Procedures.....	31
D.	Procedures for Tie Bids between Small Business and DVBE or Microbusiness	32
E.	Small Business Sub-Contractor(s)	32

2.40	Bid Protests (PCC §10341 to 10345)	32
A.	Grounds for Protests	32
B.	Protest Exclusions.....	32
C.	Filing a Protest	33
D.	Role of DGS in Protest Process	33

CHAPTER 3: WHAT FORMS SHOULD I USE?

3.00	Contract Forms	34
A.	Contracts for Services.....	34
B.	Interagency Agreements	34
C.	Rental Agreements	35
D.	Use of Contract Forms and Attachments Chart.....	36
E.	Standard Contract Terms and Conditions (F-31, Rental Agreement).....	36
F.	Standard Contract Terms and Conditions Form (F-31, Rental Agreement)	37

CHAPTER 4: DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PROGRAM REQUIREMENTS AND DOCUMENTATION

4.00	DAA DVBE Requirements	39
A.	Exempt Contracts.....	39
B.	Contract Bid Package DVBE Options	39
C.	DVBE Contract Options	41
D.	Compliance Documentation	42
4.05	DAA DVBE Monitoring Responsibilities	42
A.	Compliance	42
B.	Substitution of Subcontractors	43
C.	DVBE Program Requirements	45
D.	Bidder and Subcontractor Performance Declaration (GSPD-05-105)	49
E.	DVBE Declaration (Std. 843).....	51
F.	DVBE Bid Incentive Instructions.....	52

CHAPTER 5: GENERAL CONTRACT PROVISION / PROCEDURAL INFORMATION

5.00	Payment Provisions	55
A.	Lump Sum Payments.....	55
B.	Unit Rate Payments	55
C.	Progress Payments.....	55

D. Advance Payments	56
5.05 Contract Termination Clauses.....	56
A. Standard Agreements	56
B. Rental Agreements	56
5.10 Multiple Year Contracts/Options to Renew	56
5.15 Personal Services Considerations.....	57
A. Definition	57
B. Use of Personal Services Contracts.....	57
C. Documentation/Justification	57
D. Approval.....	57
E. 19130(b) Criteria	57
F. Personal Service Contracts Not Meeting 19130(b) Criteria.....	58

CHAPTER 6: SPECIFIC TYPES OF CONTRACTS (INFORMATION, WORKSHEETS, SPECIAL FORMS)

6.00 Carnival Contracts.....	59
A. Bidding Requirements.....	59
B. CFSAs Carnival Master Insurance List	59
C. "CARNIVAL" Fairtime Contract Worksheet	60
6.05 Contract Amendments	61
A. Format and Approval.....	61
B. Amendment Language.....	61
C. Contract Amendment Worksheet	62
6.10 Entertainment Contracts – Stage Acts	63
A. Bidding Requirements.....	63
B. Entertainment Contract Attachment	63
6.15 Entertainment "Stage Acts" Contract Worksheet.....	65
6.20 "Generic" Services Contract Worksheet.....	66
6.25 Gun Show Contracts	68
6.30 Motorized Racing Contracts	72
A. Instructions for District Agricultural Associations.....	72
B. Motorized Racing Contracts at County or Citrus Fruit Fairs	72

C. CEQA and Other Requirements.....	72
6.35 Security Contract with Public Entity Worksheet.....	74
6.40 Rental Agreement Year Round/Long Term.....	75
A. Rental Agreement (Year Round/Long Term) Worksheet.....	76
6.45 Sponsorship Contracts.....	77
A. General Sponsorship Contract Process for DAAs.....	77
B. Proposed Sponsorships Subject to Food and Ag Code 4051.1(b).....	77
C. Sponsorships with Alcoholic Beverage Companies	78
6.50 Vendor Contracts – Multi Year.....	79
A. Definitions	79
B. The Contract	79
C. The Association Board	79
D. Vendor (Concessionaire or Commercial Exhibit) Fairtime Contract Worksheet	81

CHAPTER 1: GENERAL INFORMATION

1.00 Web Portal for Contract Information and Documents

Documents for contracting, including this manual, are available to fairs online on the Fairs and Expositions (F&E) Portal. The Portal address is www.cdfa.ca.gov/egov/fe/manual. Accessing the portal requires computer access to the Internet and a password. The fair can log in under the generic “Administrative” option and use the password “contract”. The fair can also log in under their individual fair name and individual fair password.

Documents and links published at the portal are as follows:

Contract Manual

- Contract Manual

Quarterly Report

- Quarterly Contract Report (Excel spreadsheet format with DVBE calculator built-in)

Contract Forms

- Rental Agreement (with Standard Terms and Conditions)
- Rental Agreement Amendment (Template)
- Service Contract (Std. 213)
- Standard Contract Terms and Conditions F-31 (for use with older F-31 Rental Agreement Forms)
- Service Contract Amendment (Std. 213A)
- Contract Transmittal (Std. 215)
- Independent Contractor or Employee Form (IRS Publication 1779 or SS-8)
- Contractor Certification Clause (CCC-307)

Bid Packages

- Invitation for Bid (IFB)
- Two-Tier Generic Request-For-Proposal (RFP)
- Two-Tier Carnival RFP
- High-Score Generic RFP
- High-Score Carnival RFP

CSCR Advertising

- California State Contracts Register (CSCR) Advertising
- CSCR Blanket Ad for fairtime

DVBE Forms

- Disabled Veteran Business Enterprise (DVBE) Declaration (Std. 843)
- Bidder and Subcontractor Performance Declaration (GSPD-05-105)
- DVBE Program Requirements
- DVBE Bid Incentive Instructions
- DVBE Search

Small Business Search

- Small Business Enterprise Search

1.05 What is a Contract?

A contract is an agreement between two or more parties, which the law will enforce (see California Civil Code §1549). It is formed by an offer, acceptance of that offer and bound together by a legally valid consideration. A contract sets forth terms, conditions, and the statement of all work to be performed. All contracts are required to be in writing. Basic requirements for a contract include:

- Identification of the parties.
- Term for the performance or completion of the contract (dates or length of time).
- Consideration (the contract must clearly express the maximum amount to be paid and the basis on which payment is to be made: e.g., a fixed amount regardless of time spent, billing based on time spent at a specified rate plus actual expenses, or cost recovery).
- Scope (the work, service, or product to be performed, rendered, or provided. Clear and concise language must be used to describe the scope).
- Other general or unique terms and conditions of the agreement.
- Signature by a person for each party who is authorized to bind that party.

A. Services Contract or Purchase?

To determine whether a transaction is a services contract or a purchase, the DAA needs to consider which will have the predominant value – the items being purchased, or the services being rendered. The estimated dollar value associated with the goods being supplied versus the services being rendered should be considered, with the predominant value determining whether the transaction is a purchase or a services contract. For example, a contract for painting a building can include the purchase of the paint, but the larger value of the contract would be associated with the application of the paint – therefore making this a services contract.

B. 119-Day Employees, Civil Service Employee, or Contractor?

Whether or not a person working for a DAA should be classified as an employee or an independent contractor is an important decision. If a DAA misclassifies an employee as an independent contractor, the DAA may get caught by IRS audit, unemployment claim filed by a former worker, a claim filed for worker's compensation benefits filed by a worker, a former contractor filing a Form SS-8 (Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income tax Withholding) or an audit by the State Department of Food and Agriculture Audit Office. The consequences of this being caught and having an independent contractor reclassified as an employee are: The DAA becomes responsible for the employer's and employee's FICA (15.3% of gross wages), Unemployment Taxes (currently \$56 per year per employee), and the federal income tax (20% of gross wages). The DAA may also become liable for the state income tax and worker's compensation. DAAs also face a penalty equal to the amount of the back taxes owed. Likewise, the DAA will owe interest on all back taxes from the due dates; and in the case of an injury, the DAA may be responsible for the support of the injured person for the rest of their life.

The once common IRS "20 Common Law Factors Test" has been replaced by a new category test. Briefly, this test examines the worker employer relation in three areas:

1. Behavioral control covers the amount of control the employer has over the worker in terms of where, when, and how the job is done, among other factors.
2. Financial control dictates how much control the company has over a worker's pay, business expenses, and facility investment.
3. Relationship type is based on written agreements, employee benefits, and length of relationship between the company and worker.

C. IRS Publication 1779 – Independent Contractor or Employee

Below is the IRS publication for the category test. It can also be obtained directly at the IRS website: <http://www.irs.gov/pub/irs-pdf/p1779.pdf>



INDEPENDENT CONTRACTOR OR EMPLOYEE

Which are you?

For federal tax purposes, this is an important distinction. Worker classification affects how you pay your federal income tax, social security and Medicare taxes, and how you file your tax return. Classification affects your eligibility for employer and social security and Medicare benefits and your tax responsibilities. If you aren't sure of your work status, you should find out now. This brochure can help you.

The courts have considered many facts in deciding whether a worker is an independent contractor or an employee. These relevant facts fall into three main categories: *behavioral control*; *financial control*; and *relationship of the parties*. In each case, it is very important to consider all the facts – no single fact provides the answer. Carefully review the following definitions.

BEHAVIORAL CONTROL

These facts show whether there is a right to direct or control how the worker does the work. A worker is an employee when the business has the right to direct and control the worker. The business does not have to actually direct or control the way the work is done – as long as the employer has the right to direct and control the work. For example:

- **Instructions** – if you receive extensive instructions on how work is to be done, this suggests that you are an employee. Instructions can cover a wide range of topics, for example:
 - how, when, or where to do the work
 - what tools or equipment to use

FINANCIAL CONTROL

These facts show whether there is a right to direct or control the business part of the work. For example:

- **Significant Investment** – if you have a significant investment in your work, you may be an independent contractor. While there is no precise dollar test, the investment must have substance. However, a significant investment is not necessary to be an independent contractor.
- **Expenses** – if you are not reimbursed for some or all business expenses, then you may be an independent contractor, especially if your unreimbursed business expenses are high.
- **Opportunity for Profit or Loss** – if you can realize a profit or incur a loss, this suggests that you are in business for yourself and that you may be an independent contractor.

RELATIONSHIP OF THE PARTIES

These are facts that illustrate how the business and the worker perceive their relationship. For example:

- **Employee Benefits** – if you receive benefits, such as insurance, pension, or paid

leave, this is an indication that you may be an employee. If you do not receive benefits, however, you could be either an employee or an independent contractor.

- **Written Contracts** – a written contract may show what both you and the business intend. This may be very significant if it is difficult, if not impossible, to determine status based on other facts.

When You Are an Employee

- Your employer must withhold income tax and your portion of social security and Medicare taxes. Also, your employer is responsible for paying social security, Medicare, and unemployment (FUTA) taxes on your wages. Your employer must give you a Form W-2, *Wage and Tax Statement*, showing the amount of taxes withheld from your pay.
- You may deduct unreimbursed employee business expenses on Schedule A of your income tax return, but only if you itemize deductions and they total more than two percent of your adjusted gross income.

When You Are an Independent Contractor

- The business may be required to give you Form 1099-MISC, *Miscellaneous Income*, to report what it has paid to you.
- You are responsible for paying your own income tax and self-employment tax (Self-Employment Contributions Act – SECA). The business does not withhold taxes from your pay. You may need to make estimated tax payments during the year to cover your tax liabilities.
- You may deduct business expenses on Schedule C of your income tax return.

If the proper status determination is still unclear, the Department of Treasury, Internal Revenue Service (IRS) SS-8 Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding form appears on the next page and also is available at the IRS website <http://www.irs.gov/pub/irs-pdf/fss8.pdf>

Upon receipt of this completed form, the IRS will make the determination for you and contact you with their decision. It is important to properly classify 119-day employees. The IRS penalties may be imposed when a 119-day employee is improperly classified as a contractor. Documentation of these determinations and copies of forms used must be kept on file for CDFA Audit Office and/or IRS audit.

D. Personal Services Contract

Information regarding personal services contracts and when they are allowed is contained in Part 5.15 of this Manual.

E. SS-8 Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding

SS-8
 Form
 (Rev. December 2009)
 Department of the Treasury
 Internal Revenue Service

**Determination of Worker Status
 for Purposes of Federal Employment Taxes
 and Income Tax Withholding**

OMB No. 1545-0004

Name of firm (or person) for whom the worker performed services		Worker's name	
Firm's address (include street address, apt. or suite no., city, state, and ZIP code)		Worker's address (include street address, apt. or suite no., city, state, and ZIP code)	
Trade name		Daytime telephone number ()	Worker's social security number
Telephone number (include area code) ()	Firm's employer identification number 	Worker's employer identification number (if any) 	

Note. If the worker is paid by a firm other than the one listed on this form for these services, enter the name, address, and employer identification number of the payer. ►

Disclosure of Information

The information provided on Form SS-8 may be disclosed to the firm, worker, or payer named above to assist the IRS in the determination process. For example, if you are a worker, we may disclose the information you provide on Form SS-8 to the firm or payer named above. The information can only be disclosed to assist with the determination process. If you provide incomplete information, we may not be able to process your request. See *Privacy Act and Paperwork Reduction Act Notice* on page 5 for more information. **If you do not want this information disclosed to other parties, do not file Form SS-8.**

Parts I–V. All filers of Form SS-8 must complete all questions in Parts I–IV. Part V must be completed if the worker provides a service directly to customers or is a salesperson. If you cannot answer a question, enter "Unknown" or "Does not apply." If you need more space for a question, attach another sheet with the part and question number clearly identified.

Part I General Information

- 1 This form is being completed by: Firm Worker; for services performed _____ to _____ (beginning date) _____ (ending date) _____.
- 2 Explain your reason(s) for filing this form (for example, you received a bill from the IRS, you believe you erroneously received a Form 1099 or Form W-2, you are unable to get worker's compensation benefits, or you were audited or are being audited by the IRS). _____
- 3 Total number of workers who performed or are performing the same or similar services _____.
- 4 How did the worker obtain the job? Application Bid Employment Agency Other (specify) _____.
- 5 Attach copies of all supporting documentation (contracts, invoices, memos, Forms W-2 or Forms 1099-MISC issued or received, IRS closing agreements, IRS rulings, etc.). In addition, please inform us of any current or past litigation concerning the worker's status. If no income reporting forms (Form 1099-MISC or W-2) were furnished to the worker, enter the amount of income earned for the year(s) at issue \$ _____.
 If both Form W-2 and Form 1099-MISC were issued or received, explain why. _____
- 6 Describe the firm's business. _____
- 7 Describe the work done by the worker and provide the worker's job title. _____
- 8 Explain why you believe the worker is an employee or an independent contractor. _____
- 9 Did the worker perform services for the firm in any capacity before providing the services that are the subject of this determination request?
 Yes No N/A
 If "Yes," what were the dates of the prior service? _____
 If "Yes," explain the differences, if any, between the current and prior service. _____
- 10 If the work is done under a written agreement between the firm and the worker, attach a copy (preferably signed by both parties). Describe the terms and conditions of the work arrangement. _____

Part II Behavioral Control

- 1 What specific training and/or instruction is the worker given by the firm? _____
- 2 How does the worker receive work assignments? _____
- 3 Who determines the methods by which the assignments are performed? _____
- 4 Who is the worker required to contact if problems or complaints arise and who is responsible for their resolution? _____
- 5 What types of reports are required from the worker? Attach examples. _____
- 6 Describe the worker's daily routine such as, schedule, hours, etc. _____
- 7 At what location(s) does the worker perform services (e.g., firm's premises, own shop or office, home, customer's location, etc.)? Indicate the appropriate percentage of time the worker spends in each location, if more than one. _____
- 8 Describe any meetings the worker is required to attend and any penalties for not attending (e.g., sales meetings, monthly meetings, staff meetings, etc.). _____
- 9 Is the worker required to provide the services personally? Yes No
- 10 If substitutes or helpers are needed, who hires them? _____
- 11 If the worker hires the substitutes or helpers, is approval required? Yes No
If "Yes," by whom? _____
- 12 Who pays the substitutes or helpers? _____
- 13 Is the worker reimbursed if the worker pays the substitutes or helpers? Yes No
If "Yes," by whom? _____

Part III Financial Control

- 1 List the supplies, equipment, materials, and property provided by each party:
The firm _____
The worker _____
Other party _____
- 2 Does the worker lease equipment? Yes No
If "Yes," what are the terms of the lease? (Attach a copy or explanatory statement.) _____
- 3 What expenses are incurred by the worker in the performance of services for the firm? _____
- 4 Specify which, if any, expenses are reimbursed by:
The firm _____
Other party _____
- 5 Type of pay the worker receives: Salary Commission Hourly Wage Piece Work
 Lump Sum Other (specify) _____
If type of pay is commission, and the firm guarantees a minimum amount of pay, specify amount \$ _____
- 6 Is the worker allowed a drawing account for advances? Yes No
If "Yes," how often? _____
Specify any restrictions. _____
- 7 Whom does the customer pay? Firm Worker
If worker, does the worker pay the total amount to the firm? Yes No If "No," explain. _____
- 8 Does the firm carry worker's compensation insurance on the worker? Yes No
- 9 What economic loss or financial risk, if any, can the worker incur beyond the normal loss of salary (e.g., loss or damage of equipment, material, etc.)? _____

Part IV Relationship of the Worker and Firm

- 1 List the benefits available to the worker (e.g., paid vacations, sick pay, pensions, bonuses, paid holidays, personal days, insurance benefits). Yes No
- 2 Can the relationship be terminated by either party without incurring liability or penalty? Yes No
If "No," explain your answer.
- 3 Did the worker perform similar services for others during the same time period? Yes No
If "Yes," is the worker required to get approval from the firm? Yes No
- 4 Describe any agreements prohibiting competition between the worker and the firm while the worker is performing services or during any later period. Attach any available documentation.
- 5 Is the worker a member of a union? Yes No
- 6 What type of advertising, if any, does the worker do (e.g., a business listing in a directory, business cards, etc.)? Provide copies, if applicable.
- 7 If the worker assembles or processes a product at home, who provides the materials and instructions or pattern?
- 8 What does the worker do with the finished product (e.g., return it to the firm, provide it to another party, or sell it)?
- 9 How does the firm represent the worker to its customers (e.g., employee, partner, representative, or contractor)?
- 10 If the worker no longer performs services for the firm, how did the relationship end (e.g., worker quit or was fired, job completed, contract ended, firm or worker went out of business)?

Part V For Service Providers or Salespersons. Complete this part if the worker provided a service directly to customers or is a salesperson.

- 1 What are the worker's responsibilities in soliciting new customers?
- 2 Who provides the worker with leads to prospective customers?
- 3 Describe any reporting requirements pertaining to the leads.
- 4 What terms and conditions of sale, if any, are required by the firm?
- 5 Are orders submitted to and subject to approval by the firm? Yes No
- 6 Who determines the worker's territory?
- 7 Did the worker pay for the privilege of serving customers on the route or in the territory? Yes No
If "Yes," whom did the worker pay?
If "Yes," how much did the worker pay? \$
- 8 Where does the worker sell the product (e.g., in a home, retail establishment, etc.)?
- 9 List the product and/or services distributed by the worker (e.g., meat, vegetables, fruit, bakery products, beverages, or laundry or dry cleaning services). If more than one type of product and/or service is distributed, specify the principal one.
- 10 Does the worker sell life insurance full time? Yes No
- 11 Does the worker sell other types of insurance for the firm? Yes No
If "Yes," enter the percentage of the worker's total working time spent in selling other types of insurance %
- 12 If the worker solicits orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments, enter the percentage of the worker's time spent in the solicitation %
- 13 Is the merchandise purchased by the customers for resale or use in their business operations? Yes No
Describe the merchandise and state whether it is equipment installed on the customers' premises.

Sign Here	<p>Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented are true, correct, and complete.</p> <p>Type or print name below signature.</p>		
	Title ►	Date ►	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose

Firms and workers file Form SS-8 to request a determination of the status of a worker for purposes of federal employment taxes and income tax withholding.

A Form SS-8 determination may be requested only in order to resolve federal tax matters. If Form SS-8 is submitted for a tax year for which the statute of limitations on the tax return has expired, a determination letter will not be issued. The statute of limitations expires 3 years from the due date of the tax return or the date filed, whichever is later.

The IRS does not issue a determination letter for proposed transactions or on hypothetical situations. We may, however, issue an information letter when it is considered appropriate.

Definition

Firm. For the purposes of this form, the term "firm" means any individual, business enterprise, organization, state, or other entity for which a worker has performed services. The firm may or may not have paid the worker directly for these services.



If the firm was not responsible for payment for services, be sure to enter the name, address, and employer identification number of the payer on the first page of Form SS-8, below the identifying information for the firm and the worker.

The SS-8 Determination Process

The IRS will acknowledge the receipt of your Form SS-8. Because there are usually two (or more) parties who could be affected by a determination of employment status, the IRS attempts to get information from all parties involved by sending those parties blank Forms SS-8 for completion. Some or all of the information provided on this Form SS-8 may be shared with the other parties listed on page 1. The case will be assigned to a technician who will review the facts, apply the law, and render a decision. The technician may ask for additional information from the requestor, from other involved parties, or from third parties that could help clarify the work relationship before rendering a decision. The IRS will generally issue a formal determination to the firm or payer (if that is a different entity), and will send a copy to the worker. A determination letter applies only to a worker (or a class of workers) requesting it, and the decision is binding on the IRS. In certain cases, a formal determination will not be issued. Instead, an information letter may be issued. Although an information letter is advisory only and is not binding on the IRS, it may be used to assist the worker to fulfill his or her federal tax obligations.

Neither the SS-8 determination process nor the review of any records in connection with the determination constitutes an examination (audit) of any federal tax return. If the periods under consideration have previously been examined, the SS-8 determination process will not constitute a reexamination under IRS reopening procedures. Because this is not an examination of any federal tax return, the appeal rights available in connection with an examination do not apply to an SS-8 determination. However, if you disagree with a determination and you have additional information concerning the work relationship that you believe was not previously considered, you may request that the determining office reconsider the determination.

Completing Form SS-8

Answer all questions as completely as possible. Attach additional sheets if you need more space. Provide information for all years the worker provided services for the firm. Determinations are based on the entire relationship between the firm and the worker. Also indicate if there were any significant changes in the work relationship over the service term.

Additional copies of this form may be obtained by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS website at www.irs.gov.

Fee

There is no fee for requesting an SS-8 determination letter.

Signature

Form SS-8 must be signed and dated by the taxpayer. A stamped signature will not be accepted.

The person who signs for a corporation must be an officer of the corporation who has personal knowledge of the facts. If the corporation is a member of an affiliated group filing a consolidated return, it must be signed by an officer of the common parent of the group.

The person signing for a trust, partnership, or limited liability company must be, respectively, a trustee, general partner, or member-manager who has personal knowledge of the facts.

Where To File

Send the completed Form SS-8 to the address listed below for the firm's location. However, only for cases involving federal agencies, send Form SS-8 to the Internal Revenue Service, Attn: CC:CORP:T:C, Ben Franklin Station, P.O. Box 7604, Washington, DC 20044.

Firm's location:	Send to:
Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, Wyoming, American Samoa, Guam, Puerto Rico, U.S. Virgin Islands	Internal Revenue Service SS-8 Determinations P.O. Box 630 Stop 631 Holtsville, NY 11742-0630
Alabama, Connecticut, Delaware, District of Columbia, Florida, Georgia, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, all other locations not listed	Internal Revenue Service SS-8 Determinations 40 Lakemont Road Newport, VT 05855-1555

Instructions for Workers

If you are requesting a determination for more than one firm, complete a separate Form SS-8 for each firm.



Form SS-8 is not a claim for refund of social security and Medicare taxes or federal income tax withholding.

If the IRS determines that you are an employee, you are responsible for filing an amended return for any corrections related to this decision. A determination that a worker is an employee does not necessarily reduce any current or prior tax liability. For more information, call 1-800-829-1040.

Time for filing a claim for refund. Generally, you must file your claim for a credit or refund within 3 years from the date your original return was filed or within 2 years from the date the tax was paid, whichever is later.

Filing Form SS-8 does not prevent the expiration of the time in which a claim for a refund must be filed. If you are concerned about a refund, and the statute of limitations for filing a claim for refund for the year(s) at issue has not yet expired, you should file Form 1040X, Amended U.S. Individual Income Tax Return, to protect your statute of limitations. File a separate Form 1040X for each year.

On the Form 1040X you file, do not complete lines 1 through 24 on the form. Write "Protective Claim" at the top of the form, sign and date it. In addition, you should enter the following statement in Part II, Explanation of Changes: "Filed Form SS-8 with the Internal Revenue Service Office in (Holtsville, NY; Newport, VT; or Washington, DC; as appropriate). By filing this protective claim, I reserve the right to file a claim for any refund that may be due after a determination of my employment tax status has been completed."

Filing Form SS-8 does not alter the requirement to timely file an income tax return. Do not delay filing your tax return in anticipation of an answer to your SS-8 request. In addition, if applicable, do not delay in responding to a request for payment while waiting for a determination of your worker status.

Instructions for Firms

If a **worker** has requested a determination of his or her status while working for you, you will receive a request from the IRS to complete a Form SS-8. In cases of this type, the IRS usually gives each party an opportunity to present a statement of the facts because any decision will affect the employment tax status of the parties. Failure to respond to this request will not prevent the IRS from issuing a determination letter based on the information he or she has made available so that the worker may fulfill his or her federal tax obligations. However, the information that you provide is extremely valuable in determining the status of the worker.

If you are requesting a determination for a particular class of worker, complete the form for one individual who is representative of the class of workers whose status is in question. If you want a written determination for more than one class of workers, complete a separate Form SS-8 for one worker from each class whose status is typical of that class. A written determination for any worker will apply to other workers of the same class if the facts are not materially different for these workers. Please provide a list of names and addresses of all workers potentially affected by this determination.

If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker under section 530 of the

1978 Revenue Act. However, this relief provision cannot be considered in conjunction with a Form SS-8 determination because the determination does not constitute an examination of any tax return. For more information regarding section 530 of the 1978 Revenue Act and to determine if you qualify for relief under this section, you may visit the IRS website at www.irs.gov.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. This information will be used to determine the employment status of the worker(s) described on the form. Subtitle C, Employment Taxes, of the Internal Revenue Code imposes employment taxes on wages. Sections 3121(d), 3306(a), and 3401(c) and (d) and the related regulations define employee and employer for purposes of employment taxes imposed under Subtitle C. Section 6001 authorizes the IRS to request information needed to determine if a worker(s) or firm is subject to these taxes. Section 6109 requires you to provide your taxpayer identification number. Neither workers nor firms are required to request a status determination, but if you choose to do so, you must provide the information requested on this form. Failure to provide the requested information may prevent us from making a status determination. If any worker or the firm has requested a status determination and you are being asked to provide information for use in that determination, you are not required to provide the requested information. However, failure to provide such information will prevent the IRS from considering it in making the status determination. Providing false or fraudulent information may subject you to penalties. Routine uses of this information include providing it to the Department of Justice for use in civil and criminal litigation, to the Social Security Administration for the administration of social security programs, and to cities, states, and the District of Columbia for the administration of their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. We may provide this information to the affected worker(s), the firm, or payer as part of the status determination process.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 22 hrs.; Learning about the law or the form, 47 min.; and Preparing and sending the form to the IRS, 1 hr., 11 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:WCAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the tax form to this address. Instead, see *Where To File* on page 4.

1.10 Conflicts of Interest

A. Current State Employees, Including 119-Day Employees (PCC §10410)

- Cannot receive compensation from, or hold financial interest in, any employment, activity, or enterprise sponsored or funded by a State agency that is not required as a condition of State employment.
- Cannot contract as independent contractors with any State agency.

B. Former State Employees, Including 119-Day Employees (PCC §10411)

- For two years past the end of State employment, cannot enter into a contract with a State agency, which they helped to negotiate, plan, or finalize while in State employment.
- For one year past the end of State employment, cannot enter into a contract with a State agency for which they were employed in a policy-making position.

C. Contracts for Consulting Services

When entering into a contract for consulting services, the DAA must determine whether a consultant's proposed duties create any reporting requirements under the Political Reform Act. Under some circumstances, consultants may be required to report economic interests; may be prohibited from receiving gifts; and/or may be disqualified from participating in certain decisions. Covered consultants may include:

- Individuals who perform the same or substantially all the same duties for the DAA that would otherwise be performed by an individual holding a position specified in the Conflict of Interest Code under Government Code Section 87302.
- Individuals who serve the DAA in the capacity of participating in making a governmental decision as defined in CCR, Title 2, Division 6, Political Practices Commission 18702.2.
- Individuals performing services acting as a consultant with authority to:
 - Approve a rate, rule or regulation.
 - Adopt or enforce a law.
 - Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement.
 - Authorize the DAA to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval.
 - Grant approval to the specifications for a contract.
 - Grant the DAA approval to a plan, design, report, study, or similar item.
 - Adopt, or grant DAA approval of, policies, standards, or guidelines for the DAA.

Prohibited Financial Interest

Employees and certain consultants may be prohibited from participating in decisions or participating in "making contracts" if they have a financial interest. See GC 1090 et seq. and GC 87400 et seq.

Follow– Up Contract

Consultants are prohibited from bidding on, or being awarded a contract that is required, suggested, or otherwise deemed appropriate in the end product of a previous consulting contract with them. See PCC 10365.5 to determine applicability.

1.15 Circumvention of Contracting Requirements

Statutes, regulations, and policies governing the state's contracting process are designed to protect the state's interest. Therefore, it is not appropriate to seek artificial exceptions to contracting requirements or to seek loopholes. In particular, circumvention of required competitive bidding or contract approval is illegal. Pass-through contracts in which the vendor or another governmental agency is doing something that your agency cannot lawfully do directly, such as avoiding competitive bidding, are common types of circumvention.

1.20 Contract Review and Approval

A. Dollar Amount for Determining Approval Requirement

- To determine the dollar amount to be used in following the contract approval requirements in this section, use the total dollar amount including all years of a multi-year contract, as well as all option year amounts if contract has options to renew.
- For a contract that has no dollar amount (such as an in-kind services contract), the value of the services must be converted to a dollar amount for the purposes of determining approvals required.
- For a contract which was originally under the dollar amount requiring approval and is being amended, use the total dollar amount of the original contract and the amendment(s) to determine approvals required. If approvals are now required, the original contract package and amendment package(s) must now be submitted for approval.

B. Send to F&E

All contracts over \$75,000.00. After contract review, F&E will forward contracts to California Fair Services Authority (CDSA) for insurance and/or indemnification language review if applicable.

C. Send to CDSA

- All hazardous contracts up to \$75,000.00.*
- All non-hazardous contracts over \$15,000.00 and up to \$75,000.00 for which liability insurance is required.*
- All contracts with indemnification language changes up to \$75,000.00.*

*Note: CDSA review and approval is limited to the insurance and indemnification portions of the contract package.

D. Neither F&E nor CDSA Approval Required

- Non-hazardous contracts up to \$15,000 for which liability insurance is required, but no indemnification changes have been made. **
- Non-hazardous contracts up to \$75,000 for which liability insurance is not required and no indemnification changes have been made. **

**Note: Review and approval of these contracts and insurance is delegated to the fair. Contract packages must be compliant with all applicable laws, rules and procedures and will be reviewed by audit.

E. Multi-Year Contract Renewal Insurance

- When a multi-year contract has met one of the criteria above for submittal to F&E or CDSA, a renewal insurance certificate must be submitted to CDSA annually with a copy of the originally approved contract.
- When a contract is multi-year, but does not fall into any category requiring submittal to F&E or CDSA, it is not necessary to submit renewal insurance certificates to CDSA. Note, however that it is the responsibility of the fair to ensure that current insurance is in place for the life of the contract.

1.25 DAA Board Approval of Contracts

The DAA Board must determine what level of contract approval authority to delegate to the DAA CEO or other staff. A board may give a delegation of authority based upon dollar amount and/or type of contracts. For all contracts that do not fall under the delegation of authority, individual board approval and a formal board resolution must be done prior to the entering into of the contract.

A. Delegation of Authority

- Each DAA's *Delegation of Authority (Delegation)* expires annually on December 31st.
- The DAA's Board of Directors must re-hear, approve, and submit to F&E a new Delegation annually before December 31st.
- Also, each time the DAA appoints a new CEO or other authorized person, a new Delegation must be heard, approved, and submitted.
- Typically, a board still requires that at subsequent meetings they receive a listing of all contracts executed using the delegation for their review and information.
- Contracts exceeding one year do not fall under the Delegation of Authority.
- The Delegation may give more than one person authority, as long as all information for each person is included.
- The Delegation is documented in the form of an excerpt of the Board meeting at which it was approved. It should include:
 - The board meeting date.
 - The expiration date of the Delegation (the following December 31st).
 - Who motioned and who seconded.
 - The name and title of the person(s) to whom the Delegation is given.
 - The types of contract and dollar amounts approved.
 - Description of any subsequent contract review requirement.
 - "Certified to be a True Copy" signed and dated by the CEO.
 - For any person receiving authority who is not the CEO, their dated signature must also be included on the Delegation.

A suggested Delegation of Authority format is provided on the following page.

B.

Suggested Delegation of Authority Format

DELEGATION OF AUTHORITY

____ District Agricultural Association

Excerpt from Board of Director's Meeting held on _____.

Upon motion of Director _____ seconded by Director _____ and carried, CEO _____ is authorized to execute Rental Agreements up to \$ _____ Std. 213 Agreements up to \$ _____, as long as these contracts do not exceed a one year term, without further authorization from the Board of Directors.

Business Assistant _____ is authorized, in the absence of the CEO, to execute Rental Agreements up to \$ _____, Std. 213 Agreements up to \$ _____ as long as these contracts do not exceed a one year term, without further authorization from the Board of Directors.

All such executed agreements; however, are to be submitted to the Board of Directors for review at the subsequent meeting. This Delegation is effective through December 31, _____.

Certified to be a True Copy

Date

Also authorized by this Delegation:

Date

C. **Board Resolution**

For any contract not covered by the Board's Delegation of Authority to the CEO, DAA board approval is required prior to execution of the contract. If the contract requires F&E approval (see Part 1.20 of this Manual), then a certified Board Resolution (Resolution) approving the contract must be submitted to F&E as part of the contract package. The Resolution must include the following:

- The board meeting date.
- Who motioned and who seconded.
- Contract number.
- The name of the contractor, date/time of the contract, and dollar amount of the contract (If the contract includes options to renew, then the term(s) and dollar amount(s) must be included).
- "Certified to be a True Copy" signed and dated by the CEO.

D. **Suggested Board Resolution Format**

BOARD RESOLUTION

____ District Agricultural Association

Excerpt from Board of Director's Meeting held on _____.

Upon motion of Director _____ seconded by Director _____ and carried that the following contract is approved by the board:

Contract Number: _____

Contractor Name: _____

Dates/term of Contract: _____

Dollar Amount: _____

Certified to be a True Copy

CEO

Date

E. Contracts with Other Public Entities

When contracting with another governmental entity (non-state agency) such as a city, county, district, or college, obtain a Board Resolution from the governmental entity. If the contract requires F&E approval (see Part 1.20 of this Manual) then a copy of this Resolution must be submitted to F&E as part of the contract package.

1.30 Quarterly Reports

At the end of each quarter, each DAA must send a report to F&E that lists all of the Standard Agreements (210 and 213) and Rental Agreements (F-31) and amendments processed during that quarter, regardless of the dollar amount or the term of the contract. For each contract, the report must contain:

- Contract number
- Name of Contractor
- Type of Contractor (for example: carnival)
- Contract Term
- Dollar Amounts
- DVBE Qualified
- DVBE Dollar Amount Contracted
- Personal Service Determinations when applicable §19130 (b) such as private security guards, maintenance, janitorial, etc.

A sample Quarterly Report format is on the next page of this Manual. The form is available on the F&E Portal and is designed to be downloaded. Using the electronic version of this form/spreadsheet provides the fair with a method of tracking the DVBE contracting percentage (i.e., the form does this automatically).

A.

Quarterly Contract Report Sample

Quarterly Contract Report

DAA: _____
Year: _____
Quarter: _____

If DVBE Qualified:

If DVBE Qualified:
Total DVBE Dollar Amount Contracted
Dollar Amount (Including Option Years)

$$= \frac{7500}{250000}$$

= 3.00%

1.35 Contract Management

A. Contract Manager

The DAA must designate an employee as contract manager (manager) for each contract. The contract manager is responsible for monitoring the contract.

B. Contract Management Responsibilities/Procedures

The DAA must ensure that it has proper controls in place to enforce contract requirements. The DAA should develop written procedures for contract managers to ensure their ability to effectively monitor contracts. These instructions should clearly define the manager's responsibility related to monitoring and enforcing the contract for compliance. Include procedures for ensuring that contract terms and conditions are met, as well as monitoring procedures regarding contract services, deliverables, and capital improvements. Any additional or specific monitoring requirements for a particular contract that are not covered by the DAA's general contract management procedure should be clearly defined and provided in writing to the manager of that contract. Contract management procedures must include:

- Procedures for monitoring progress of work to ensure that services are performed satisfactorily regarding quantity, quality, objectives, timeframes, and manner specified in each contract.
- Monitoring of DVBE compliance (see Part 4.10 of this Manual) when applicable.
- A process for the review and approval of invoices and verifying fulfillment of all contract requirements before providing the final invoice.
- Procedures for requiring supporting documentation in certain situations, such as when contractor expenditures differ from those stated in the contract.
- Procedures for monitoring and documenting contractor performance as necessary (see Contractor Performance info below).

C. Contractor Performance

Problems concerning the contractor's performance must be fully documented in writing and made a part of the contract manager's contract file.

- When work under a contract is unsatisfactory, a contract manager should:
 - Notify the contractor in writing by certified mail.
 - Explain why the work is not satisfactory and what corrective action is expected.
 - Give a specified period of time in which to satisfactorily perform the work.
- In addition, the letter should inform the contractor that if the problems are not corrected, or if performance does not satisfactorily improve, the agency will terminate the contract; have the work finished by another contractor; and hold the original contractor liable for any additional costs, including the costs of administration and re-bidding of the work.
- If the contract manager and the contract officer are uncertain of sufficient cause to terminate the contract and assess damages, they may request a legal opinion from the DAA's legal counsel.
- After reviewing the case, legal counsel may make recommendations for an appropriate settlement of the subject contract and outline the necessary steps to be taken.

D. Contract Manager Restrictions

- The contract manager is not authorized to take the following actions:
 - Instruct the contractor to start work before the contract is executed and approved.
 - Change the description or scope of work of the contract.
 - Direct the contractor to do work that is not specifically described in the contract.
 - Sign the contract as the agency's authorized signatory unless authorized in writing.
 - Sign any contractor's contract form.
- The contract manager must not authorize payment to the contractor for any work not performed satisfactorily.
- In addition, the contract manager is not authorized to do the following without an executed and approved contract amendment in place:
 - Extend the time period of the contract.
 - Allow the contractor to incur costs over the original limit set in the contract.

E. Ethics

No contract manager shall accept, directly or indirectly, any gift, loan of money or equipment, meal, lodging, transportation, entertainment, service, or any other favor of value from any person who is doing or seeking to do business of any kind with the DAA. Such circumstances could be construed as intent to influence the contract manager in his or her official duties or as a reward for any official action performed by the contract manager (See GC §19990 et seq.). Other ethical issues include the following:

- Contract managers shall not make outside purchases of materials or services from any business entity in which they have a financial interest.
- Employees are prohibited from using their position in state government to bestow any preferential benefit on anyone related to them by family, business, or social relationship.
- Even the appearance of questionable or unethical practices is detrimental to both employees and the DAA.
- Resolution of any questionable relationships or practices should be referred to your supervisor.

CHAPTER 2: COMPETITIVE BIDDING REQUIREMENTS

2.00 Contracts Exempt from Bidding

Certain contract types are normally exempt from the bid process. These include:

- Entertainment contracts (note that entertainment coordinator/director contracts are not exempt from bidding, only entertainment itself).
- Most rental agreements (see C below).
- Contracts with other governmental entities.
- Interagency Agreements.

2.05 Bidding Requirements (PCC §10335)

A. Contracts \$5,000 and Under

May be informally (rather than formally) bid. The DAA may request quotes by telephone, by fax, in person, or in writing. At least two quotes should be obtained.

B. Contracts *over* \$5,000, and not Otherwise Exempt From Bidding

Must be either formally bid, or awarded using the Alternative Bid Process (if under \$250,000.00) described in Part 2.15 of this manual. Formal bidding shall be done through either the Request for Proposals (RFP) **or** Invitation for Bids (IFB) process. Please see the IFB and RFP information in Part 2.10 of this manual.

***Pre-review by F&E of carnival bidding packages prior to their release is required.
Pre-review by F&E of other bidding packages prior to their release is suggested.***

C. Rental Agreements

There is no legal requirement to bid rental agreements, except for carnival contracts (see Part 2.20). It is, however, often in the best interest for a DAA to use the bid process for these contracts. This is especially true for long term rental agreements. The Division of Fairs and Expositions strongly encourages DAAs to bid out these contracts whenever possible.

2.10 Formal Bid Types

A. Invitation for Bid (IFB)

An IFB is a public request for bids to provide a specific service. The contract award must go to the bidder with the lowest responsive and responsible bid, or all bids must be rejected. The DAA's IFB package should ask: "Here is exactly what we want; what will you charge us?" Contracts commonly bid by an IFB process are: horse stalls, portable toilets, radios, golf carts, and so forth. Fairs should use the "fill-in-the-blank" boilerplate package when using this process.

B. Request for Proposals (RFP)

An RFP is a public request for proposals to provide technical services or a specified product, or to solve a defined problem. Contract award is based not only upon lowest cost, but also upon evaluation of the technical proposal.

There are two forms of RFPs: Two-Tier and High Score.

1. The **Two-Tier RFP process** requires submission of technical proposals for evaluation by a selection committee using objective criteria specified in the RFP. The bidders submit cost proposals in separate sealed envelopes. If the proposal receives the required minimum score on the technical evaluation of the proposal, the cost proposal envelope is opened. Award of the contract goes to the qualified bidder with the lowest cost or highest revenue generation proposal.
2. The **High Score RFP process** requires submission of technical proposals which a selection committee evaluates and scores based upon the objective criteria stipulated in the RFP. **Cost must be weighted a minimum of 30 points out of the total score of 100 points.** The proposal receiving the highest score is awarded the contract. The High Score process should only be used when the Two-Tier process cannot adequately meet the fairs needs. Any time this method is used by a DAA, a detailed justification of why this method is in the best interest of the DAA must be kept on file and also must be attached to the Std. 215, "Contract Summary" form of the resulting contract package.

2.15 Alternative Bid Process

The alternative bid procedure may be utilized for contracts for services with a dollar amount over \$5000.00 and less than \$250,000.00. This process is allowed pursuant to Government Code §14838.5 and permits state agencies to award contracts based upon quotes received from at least two certified small businesses or certified Disabled Veteran Business Enterprises (DVBE's), therefore eliminating the need for the lengthy formal bid process. Contract opportunities using the alternative bid procedure are **not advertised** in the California State Contract Register (CSCR). DAAs using this alternative procedure shall:

1. Obtain written quotes from at least two certified small businesses or certified Disabled Veteran Business Enterprises (DVBE's) for the services required. (DAAs are strongly encouraged to obtain quotes from more than two eligible businesses when possible.) To locate certified small businesses and DVBE's by service category go to www.dgs.ca.gov and select Small Business and Disabled Veteran Business Enterprise Services under Featured Links at left of page. Then select Search for Certified SBs and DVBEs by Specific Criteria.
2. Verify the businesses' certified small business or DVBE status and maintain evidence of certifications in the contract file by including either:
 - a) Copies of the small business or DVBE certifications or
 - b) Printouts of pages from DGS website displaying firms' current certification status.

2.20 Carnival Bid Requirements

A. DAAs

Although DAA carnival contracts are considered rental agreements, they must be bid. There are two types of bid packages for carnivals: (1) Two-Tier and (2) High Score. The boilerplate carnival fill-in-the-blank RFP packages are on the F&E Portals for fairs (See Part 1.00 of this manual for portal access directions).

Pre-review by F&E of carnival bidding packages prior to their release is required.

B. County and Citrus Fruit Fairs

County and Citrus Fruit Fairs must bid their carnival contracts. County and citrus fruit fairs may use our boilerplate carnival bid packages or use documentation provided by their county contracting officials. They must also follow the specific requirements set forth in the Food and Agricultural Code Section 4511:

4511 (a) *All county fairs and citrus fruit fairs shall, prior to entering into a carnival contract, do both of the following:*

- 1) *Notify all persons on the department's list of qualified carnival contractors of the contract opportunity at least 180 days prior to entering into the contract.*
- 2) *Provide all applicants for the carnival contract a hearing before the board or governing authority on their proposal.*

(b) *If a county fair or citrus fruit fair enters into a carnival contract with a person other than the highest bidder, it shall submit a justification for that action to the department.*

(c) *No county fair or citrus fruit fair shall enter into a carnival contract for a term which exceeds three years without the approval of the department.*

2.25 Advertising in the California State Contract Register (CSCR) (PCC §10356)

Contracts not exempt from the bid process and over \$5,000 are subject to advertisement in the California State Contracts Register (CSCR) unless the contract is awarded using the Alternative Bid Process described in Part 2.15 of this Manual.

A. Advertising for Fairtime Services

F&E publishes a blanket ad in the CSCR covering fair time services only. Therefore, DAAs do **not** need to run their own CSCR ad for services that are during or specifically for fairtime only. A copy of this blanket ad is included on the next page of this manual. Also, the blanket ad is viewable online at www.dgs.ca.gov/pd, select California State Contracts Register, click on Special Announcements, and scroll to District Agricultural Association Fairs Contracts. The ad includes a summary of types of services, but may be used for fairtime contracts not listed.

B. Advertising for Non-Fairtime Services

For non-exempt services that may exceed \$5000.00, and are not awarded using the Alternative Bid Process, and are for other than fairtime only, DAAs must place an advertisement in the CSCR.

For further information about the CSCR and the CSCR advertising process and requirements log go to www.dgs.ca.gov/pd, select bid opportunities using California State Contracts Register, click on User Login, New User at right of screen; or contact Lynn Brown at (916) 375-4441, email: cscr.support@dgs.ca.gov Their address is:

DEPARTMENT OF GENERAL SERVICES

eProcurement Division
California State Contracts Register
707 3rd Street, 2nd floor
West Sacramento, CA 95605

District Agricultural Association Fairs Contracts

Food and Agriculture
Division of Fairs and Expos

Contact Person: David Hillis
Phone: (916) 263-2961

Special Notice
District Agricultural Association Fairs Contracts Announced

The Department of Food and Agriculture, Division of Fairs and Expositions, has oversight responsibility for the State -sponsored district fairs. A wide variety of services are required by these fairs and include, but are not limited to, the summary below.

Security

Local law enforcement, private security, crowd control, building security, armored car service, and event management firms.

Maintenance

Janitorial, refuse removal, manure removal from stalls, pest control services, and dust inhibitor treatments.

Entertainment

Stage acts, fireworks display, carnival, circus, rodeo, tractor pulls, racing ground acts, motorized events, and bungee cord jumping.

Concessions

Food, beverage, novelty, and games.

Rentals

Portable horse stalls, street sweepers, heavy equipment, tents and booths, livestock, portable stage, generators, portable bleachers, video screen equipment and projection services, portable trailers, portable toilets, golf carts, and crane service.

Electrical Lighting and Sound

Electrical cable to exhibitor's stage lighting, grounds and stage sound.

Maintenance/Minor Construction Projects Under \$10,000

Miscellaneous projects including fencing, plumbing, roofing and gutters, bleacher repair, paving, building alterations electrical, HVAC, and concrete.

Medical Health

Ambulance, paramedics, first-aid centers, nurses, and EMTs.

Printing

Stationery, business cards, premium books, brochures, fair time itineraries, and facility maps.

Advertising

Artwork, copywriting and media buying for posters, radio, television, newspaper, and magazine.

Publicity

Press releases, photographs, promotion and public relations.

Decorations

Flags, banners, balloons, signs, and floriculture.

Gate and Parking Services, Transportation

Staffing and/or coordination of parking, admission, gates and credentials, programs, and bus transportation.

Miscellaneous Services

Trophies and ribbons, computer systems, talent agencies, coordinators, promotional consultants, master planners, exhibit building superintendents, judges, laborers, and ticket sales.

Each fair maintains their own bidders lists and awards their own contracts. For information regarding a fair's contracting opportunities, contact the fair directly. For fair contact information, go to www.cdfa.ca.gov/fe.

2.30 Non-Competitively Bid Contract Requests (NCB)

In the rare instance a DAA is unable or unwilling to bid a contract (that is not already exempt from bidding), the DAA shall seek approval from F&E in advance using the NCB process.

Please contact the F&E contracts office in advance and we will consider these requests on a case-by-case basis. Plan to complete the NCB Contract Justification form available at www.dgs.ca.gov under "standard forms" prior to requesting F&E review.

2.35 Certified Small and Microbusiness Program

The Small Business (SB) and Micro-business (MB) Certification Programs were established to increase business opportunities for the SB and MB communities within the State of California and are governed by regulation (Title 2, Section 1896.4 and 1896.12). The programs are designed to help SB's and MB's participate in a more level playing field with certain advantages when competing against other non-SB's and non-MB's for state contracts and purchases.

A. Definitions

Small business means a business certified by the DGS Office of Small Business and Disabled Veterans Business Enterprise Compliance (OSDC) in which:

1. The principal office is located in California.
2. The officers are domiciled in California.
3. The business is independently owned and operated.
4. The business, with any affiliates, is not dominant in its field of operation.
5. And either:
 - a. The business, together with any affiliates, has 100 or fewer employees and average annual gross receipts of \$14,000,000 (14 million) or less over the previous three years, or
 - b. The business is a manufacturer with 100 or fewer employees.

Microbusiness means a small business certified by OSDC in which:

1. The principal office is located in California.
2. The officers are domiciled in California.
3. The business is independently owned and operated.
4. The business, with any affiliates, is not dominant in its field of operation.
5. And either:
 - a. The business, together with any affiliates, has 25 or fewer employees and average annual gross receipts of \$3,500,000 (3.5 million) or less over the previous three years, or
 - b. The business is a manufacturer with 25 or fewer employees.

Certified small business or microbusiness shall provide goods or services that contribute to the fulfillment of the contract requirements by performing a "commercially useful function" defined as follows:

1. Is responsible for the execution of a distinct element of the work of the contract.
2. Carries out its obligation by actually performing, managing or supervising the work involved.
3. Performs work that is normal for its business services and functions.

- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices. A small or microbusiness contractor, subcontractor or supplier is not performing a “commercially useful function” if its role is limited to that of an extra participant in transaction, contract or project through which funds are passed in order to obtain the appearance of small business or microbusiness participation [Government Code Section 14837(d)(4)].

B. How The Preference Works

Certified small business or microbusinesses can claim the five percent preference when submitting a bid on a state contract. A non-small business, may receive a preference of five percent if the business commits to subcontract at least twenty-five percent of its net bid price with one or more small businesses or microbusinesses. The five percent preference is used only for computation purposes, to determine the winning bidder and does not alter the amounts of the resulting contract. The value of the preference is limited to \$50,000 when a contract award is based upon award to the lowest compliant bid. A contract awarded on the basis of the five percent preference is awarded to the small business, microbusiness or non-small business for the actual amount of its bid.

IFB or Two-Tier RFP

An example of the method used in determining the successful bidder for an IFB, or the cost component of a Two-Tier RFP follows:

Bidder	Bid Amount	Bid after preference	
One	\$30,750	\$30,750	Claims small business or microbusiness status but is not a certified small business or microbusiness; does not claim small business subcontractor participation
Two	\$28,975	\$28,975	Does not claim to be a small business or microbusiness, and does not claim subcontractor participation
Three	\$29,520	\$29,520	Claims non-small business subcontractor preference and does commit to 25% certified small business or microbusiness participation
Four	\$29,870	\$28,421	Claims small business or microbusiness status and is a certified small business or microbusiness

For evaluation purposes, five percent of the low responsible bid of \$28,975 would be \$1,448.75 (\$28,975 x .05); that amount would be subtracted from the bids of Three and Four for our computed total of \$28,421.75 (\$29,870 less \$1,448.75). The contract would be awarded to bidder Four for \$29,870, as the non-small business subcontractor preference cannot remove an award from a certified small business or microbusiness.

High-Score RFP

The method used in determining the successful bidder for a High-Score RFP follows:

- Calculate the “earned” score for all bidders.
- If the highest scored proposal is from a non-certified small business or microbusiness, then:
 - Calculate five percent (5%) of the highest responsible bidder’s total score.
 - Add the amount calculated above to the score of each of the certified small business or microbusiness. This new amount is the total score.

- c. Award of the contract must go to the bidder with the highest point count.
- d. A non-small business subcontractor preference cannot remove an award from a certified small business or microbusiness.
- e. An example of applying the small business preference to an RFP Secondary follows:

Bidders (*Indicates certified small business)	A*	B	C*	D
Criteria 1 (15 Max. points)	11	14	13	12
Criteria 1 (25 Max. points)	21	21	14	19
Criteria 1 (30 Max. points)	18	15	15	18
Cost (30 Max. points)	29.1	30.0	28.3	29.7
(cost points awarded are based on these bid amounts)	(\$103)	(\$100)	(\$106)	(\$101)
Total "earned" points for each bidder	79.1	80.0	70.3	78.7

- 3. Bidder B's was the highest scored proposal, a non-certified small business or microbusiness. Therefore points must be re-apportioned after application of the five percent calculation of B's point score. B's bid received 80.0 points. 5% of 80 is 4. All bids from certified small business or microbusinesses will receive 4 additional points. All bids from eligible non-small businesses will receive 4 additional points.

Point awards prior to preference points	79.1	80.0	70.3	78.7
Preference points	4.0	0	4.0	0
Total final points for each bidder	83.1	80.0	74.3	78.7

- a. The highest scored proposal is now the proposal received from A, a certified small business. The contract award amount will be A's original bid amount.

C. Small Business Preference Procedures

1. Please include notice of availability of the Small Business Preference Program in all IFBs and RFPs. DAAs should be familiar with the program in order to clearly explain it to the bidders. Bidders needing more information can be referred to the OSDC website.
2. Bidders claiming the small business preference may be requested, but not required, to submit a copy of their certification approval letter from OSDC with the bid or proposal. Failure to provide a copy of their certification approval letter in their response is not a material deviation. A bidder may claim the preference if the bidder submits a complete application for certification to the OSDC by 5 p.m. on the bid due date. Therefore, the DAAs should check the status of the application with OSDC before awarding the contract. DAAs shall evaluate the activities to be performed by any certified small or microbusiness on the proposed contract to assure that the certified small or microbusiness is performing a "commercially useful function as defined in SCM 8.20 C.

D. Procedures for Tie Bids between Small Business and DVBE or Microbusiness

In the event of a precise tie between the low responsible bid of a certified small business and the low responsible bid of a certified disabled veteran business enterprise (DVBE), or microbusiness, the contract must be awarded to the DVBE or the microbusiness [GC §14838 (f)].

E. Small Business Sub-Contractor(s)

Non-small business bidders will be granted a five percent (5%) non-small business subcontractor preference on a bid evaluation when a responsible non-small business has submitted the lowest priced two-tier responsive bid or the highest scored high score bid when the non-small business bidder:

1. Has included in its bid a notification to the awarding department that it commits to subcontract at least twenty five percent (25%) of its net bid price with one or more small businesses; and
2. Has submitted a timely responsive bid; and
3. Is determined to be a responsible bidder; and
4. Submits a list of the small businesses it commits to subcontract with for a commercially useful function in the performance of the contract. The list of sub-contractors shall include the subcontractors':
 - a. Name
 - b. Address
 - c. Phone Number
 - d. Description of work to be performed
 - e. Dollar amount of percentage per subcontractor

Small business preference qualification information must be included in all bid documents. This must include procedures for claiming small business preference, microbusiness preference, and non-small business contractor/small business subcontractor preference processes. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.

2.40 Bid Protests (PCC §10341 to 10345)

With public contracts the opportunity or option to “protest” an award is provided under certain limited circumstances. Also, the forum or jurisdiction for “hearing” protests is prescribed by code PCC §10341 to 10345.

A. Grounds for Protests

Those who may protest are as follows:

- **For RFP's**, any proposer who claims he/she would have been eligible for the award of the contract if the DAA had scored his or her proposal correctly or if the DAA had correctly followed the procedures specified in the Public Contract Code.
- **For IFB's**, the lowest (highest if contractor to pay fair) responsible bidder meeting the specifications, if he/she is not awarded the contract.

B. Protest Exclusions

- In order to protest, a protestant must have submitted a bid/proposal.
- No protest is needed if the DAA rejects all bids based on the interests of the state.

C. Filing a Protest

The bidder must file the protest with the DAA and with:

DEPARTMENT OF GENERAL SERVICES

Office of Legal Services
707 3rd Street, 2nd floor
West Sacramento, CA 95805

The protest shall be filed prior to the award of the contract. The proposed award must be posted for at least (5) **working days** in a public place at the DAA's Administration Office prior to the DAA awarding the contract. Once the award has been made, a protest may not be filed. Within (5) **calendar days** after filing the protest, the protesting bidder shall file with the DAA and DGS Legal Office a fully detailed and complete written statement specifying the grounds for the protest.

Procedures for filing a protest must be included in all IFB/RFP packages.

D. Role of DGS in Protest Process

Upon receipt of a protest, F&E defers to DGS for the process. Upon receipt of a protest DGS will:

- Determine if the protest is based on permissible grounds. If not, the protestant and the DAA will be notified.
- If the protest is determined to be based on permissible grounds, DGS will inform the protestant of the five-day limit for filing the required written statement concerning all grounds of the protest.
- DGS will request information from the DAA about the intended contract award.
- Upon receipt of the detailed written statement from the protestant, DGS will request pertinent documents from the DAA.
- The DGS hearing officer will evaluate the protest and determine the hearing format to be used (written submission only or public hearing).
- After the hearing process is completed, DGS will render a written decision within 30 days.

CHAPTER 3: WHAT FORMS SHOULD I USE?

3.00 Contract Forms

A. Contracts for Services

The forms listed in this section are available on the F&E Portal www.cdfa.ca.gov/egov/fe/manual and on the DGS website: www.dgs.ca.gov (Office of Legal Services). Forms are available as fill and print documents and/or for viewing and/or printing.

Use the following forms for contracts for services:

- Std. 210 Short Form Contract – For service contracts under \$10,000.00.
- Std. 213 Standard Agreement – For service contracts \$10,000.00 and over.

The Std. 210 and Std. 213 include language incorporating by reference the General Terms and Conditions (GTC 610). The GTC 610 form is available for viewing (or printing) at the F&E Portal www.cdfa.ca.gov/egov/fe/manual and the DGS website www.dgs.ca.gov.

For **all** contracts for services, one Contractor Certification Clauses Form (CCC-307) must be completed and signed by the contractor. This form is available for printing at the F&E Portal and the DGS website noted above.

For Std. 213 contracts a Std. 215 Agreement Summary must be completed by the DAA. This summary form is **not** necessary for Std. 210 Short Form contracts (i.e. service contracts for under \$10,000.00).

B. Interagency Agreements

The forms listed in this section are available on the F&E Portal www.cdfa.ca.gov/egov/fe/manual and the DGS website: www.dgs.ca.gov (Office of Legal Services). Forms are available as fill and print documents and/or for viewing and/or printing.

Interagency agreements are contracts between two State agencies. Two forms have been developed to replace the Std. 13 Agreement:

- Std. 210 Short Form Contract – For interagency agreements under \$10,000.00.
- Std. 213 Standard Agreement – For interagency agreements \$10,000.00 and over.

For these contracts there is a General Terms and Conditions Interagency (GIA 610) form. The GIA 610 form is available for viewing (or printing) at the F&E Portal www.cdfa.ca.gov/egov/fe/manual and the DGS website noted above. It is **not** necessary to attach copies of the GIA 610 form to the Std. 210 agreement, as it is incorporated by reference and incorporation language is pre-printed on the contract form. It **is** necessary to attach and incorporate the GIA 610 to the Std. 213 Agreement, for Interagency Agreements \$10,000.00 and over.

For Std. 213 Interagency Agreements a Std. 215 Agreement Summary must be completed by the DAA. This summary form is **not** necessary for Std. 210 Short Form Interagency Agreements (i.e. Interagency Agreements for under \$10,000.00).

It is **not** necessary to use the Contractor Certification Clauses Form for interagency agreements.

C. Rental Agreements

For rental of fair facilities and grounds, use the F-31 Rental Agreement, available as a fill and print document on the F&E Portal.

The SCTC, F-31 Standard Contract Terms and Contracts language is a part of the F-31 Rental Agreements (Rev. 12/09). For F-31 Rental Agreement forms prior to this version, the SCTC, F-31 must be attached and incorporated into the contract. That form is also available on the F&E Portal.

The Std. 215 Agreement Summary form is required for Rental Agreements over \$75,000.00 only, and is available on the F&E Portal and on the DGS website: www.dgs.ca.gov (Office of Legal Services).

It is **not** necessary to use the Contractor Certification Clauses Form with Rental Agreements

D. Use of Contract Forms and Attachments Chart

The Contract Forms and Attachments Chart follows to assist you in determining which contract forms and attachments to use for the various types of contracts that are prepared.

Contract Type and Amount	Contract Form to Use	Std. 215 Required?	Type of Terms & Conditions Required	Necessary to Attach & Incorporate?
Services under \$10,000	Std. 210	No	*GTC 610	No. Incorporation preprinted on Std. 210
Services \$10,000 and over	Std. 213	Yes	*GTC 610 (Exhibit C)	No. Incorporation preprinted on Std. 213
Rental Agreements	F-31	Yes, if the contract is over \$75,000	SCTC, F-31 (Standard Contract Terms & Conditions)	Yes. Incorporate & attach to each copy of contract
Interagency Agreements under \$10,000	Std. 210	No	*GIA 610	No. Incorporation preprinted on Std. 210
Interagency Agreements \$10,000 and over	Std. 213	Yes	GIA 610	Yes. Incorporate & attach to each copy of the contract
Amendments to Standard Agreements or Interagency Agreements	Std. 213A	Yes	Only the changes to original contract	No. Incorporation on original contract
Amendments to Rental Agreements	Letterhead paper	Yes, if total is over \$75,000	Only the changes to original contract	No. Incorporation on original contract

E. Standard Contract Terms and Conditions (F-31, Rental Agreement)

A copy of the SCTC (F-31) is on the following two pages. This form is also available on the F&E Portal at www.cdfa.ca.gov/egov/fe/manual. When retrieving the F-31 form from the F&E Portal the SCTC is included. If you have prior version F-31 forms please retrieve and incorporate the SCTC.

F. Standard Contract Terms and Conditions Form (F-31, Rental Agreement)

State of California
(Rev. 01/10)

Division of Fairs & Expositions

STANDARD CONTRACT TERMS AND CONDITIONS (F-31, RENTAL AGREEMENT)

1. **National Labor Relations Board (PCC Section 10296)** Contractor, by signing this contract, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal Court has been issued against contractor within the immediately preceding two-year period because of the contractor's failure to comply with an order of a Federal Court which orders the contractor to comply with an order of National Labor Relations Board (Public Contract Code Section 10296).
2. **Resolution of Contract Disputes (PCC 10240.5, 10381)** If, during the performance of this agreement, a dispute arises between contractor and Fair Management, which cannot be settled by discussion, the contractor shall submit a written statement regarding the dispute to Fair Management. A decision by Fair Management shall be made to the Contractor in writing, and shall be final and conclusive. Contractor shall continue to perform contract requirements without interruption during the dispute period.
3. **Non-Discrimination Clause/Statement of Compliance (GC 12990/CCR 8103-8120)** During the performance of this contract, contractor and its subcontractors 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, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Contractors and subcontractors shall comply with the provision of the Fair Employment and Housing Act (Gov. Code Section 12900, et seq.) and the applicable regulations promulgated there under (CA Code of Regulations, Title 2, Section 7285.0, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Gov. Code Section 12990 (a-f), set forth in Ch. 5 of Div. 4 of Title 2 of the CA Code of Regulations are incorporated into this contract by reference and made part hereof as if set forth in full. Contractor 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. This contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this contract.
Contractor by signing this contract hereby certifies, unless specifically exempted, compliance with Gov. Code 12990 (a-f) and CA Code of Regulations, Title 2, Div. 4, Ch. 5 in matters relating to reporting requirements and the development, implementation and maintenance of a Nondiscrimination Program. Prospective contractor agrees not to unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.
4. **Amendment (GC 11010.5)** Contract modification, when allowable, may be made by formal amendment only.
5. **Assignment** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
6. **Termination** The fair reserves the right to terminate any contract, at any time, upon order of the Board of Directors by giving the contractor notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the fair of any further payments, obligations, and/or performances required in the terms of the contract.
7. **Governing Law** This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
8. **Conflict of Interest (PCC 10410, 10411, 10420)** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void (PCC 10420).

9. **Contractor Name Change** An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
10. **Air or Water Pollution Violation (WC 13301)** Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

CHAPTER 4: DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PROGRAM REQUIREMENTS AND DOCUMENTATION

4.00 DAA DVBE Requirements

Per statute, DGS has established a contract DVBE participation goal of at least three percent. The goal applies to the overall dollar amount expended each year by each DAA for qualified contracts for services (excluding exempt contracts noted in A below).

A. Exempt Contracts

DVBE requirements apply to all contract types except for the following types listed below. Dollar amounts for determining a DAA's overall participation compliance apply only to qualified (non-exempt) contracts. Plan to use the quarterly report form to track both the overall dollar amount of DVBE contracting along with the actual amount of DVBE contracting.

- *Rental Agreements*
- *Entertainment Contracts*
- *Sponsorship Agreements*
- *Contracts with governmental agencies, colleges, universities*
- *Contracts with Joint Powers Authorities*

B. Contract Bid Package DVBE Options

For contract types not listed in Part A above, the DAA must decide which of one of the following four options will be utilized for the bid package:

- **Option 1 – No DVBE Program Requirements or Incentive**
The DAA elects to waive both the DVBE program requirement and incentive for this bid package.
- **Option 2 – DVBE Program Requirements Only**
The DAA elects to include the DVBE program requirement for this bid package but not the incentive.
- **Option 3 – DVBE Incentive Only**
The DAA elects to include the DVBE incentive for this bid package but waives the program requirement.
- **Option 4 – DVBE Program Requirements and DVBE Incentive**
The DAA elects to include both the DVBE program requirement and the DVBE incentive for this bid package.

Option 1 – No DVBE Program Requirements or Incentive

If the DAA elects to use Option 1, they elect not to have the DVBE program requirement or DVBE incentive for the bid package. **Before opting to use Option 1, the DAA should keep in mind that they are still expected to meet the overall participation goal for each year.**

Option 2- DVBE Program Requirements Only

If the DAA elects to use Option 2, they elect to include in the bid package a requirement that at least 3% of the dollar value of the bid be performed by a DVBE. This can be achieved either if the bidder is a DVBE, or if the bidder commits to sub-contract with DVBE(s) to perform at least 3% of the value of the bid. **Note that a Good-Faith Effort is no longer an acceptable form of compliance with DVBE requirements.**

Complete instructions and information for both the DAA and bidder regarding the DVBE Program Requirement are included in the DVBE Program Requirements which follows later in this section and is available on the F&E Portal at www.cdfa.ca.gov/egov/fe/manual.

Option 3 – DVBE Incentive Only

If the DAA elects to use Option 3, they waive the DVBE program requirement for the bid package, but include the DVBE incentive. This means that bidders are not required to have any portion of the services performed by a DVBE; however, a DVBE bid incentive shall be applied to bids that propose DVBE participation. The incentive amount will be based upon the percentage of DVBE participation as follows:

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%
2% to 2.99% inclusive	2%
1% to 1.99% inclusive	1%

Complete instructions and information regarding the DVBE Incentive including incentive computation instructions are contained in the DVBE Bid Incentive Instructions which follows later in this section and is available on the F&E Portal at www.cdfa.ca.gov/egov/fe/manual. These instructions include not only information for the bidder, but information on how to apply the incentive.

Option 4 – DVBE Program Requirements and DVBE Incentive

If the DAA elects to use Option 4, they elect to include in the bid package a requirement that at least 3% of the dollar value of the bid be performed by a DVBE; **and**, they include a DVBE incentive based upon the percentage of DVBE participation as follows:

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%

Complete instructions and information regarding the DVBE Program Requirement with DVBE Incentive are included in the DVBE Program Requirements which follows later in this section and is available on the F&E Portal at www.cdfa.ca.gov/egov/fe/manual. These instructions include not only information for the bidder, but information on how to apply the incentive.

C. DVBE Contract Options

The following page is included in bid documents. Depending upon the option that the DAA checks, the attachments listed under that option must be attached to the bid document. Instructions for both the DAA and bidders are included in the documents. The documents are included in this section and are also available on the F&E Portal at www.cdfa.ca.gov/egov/fe/manual.

Option 1 – NO DVBE Program Requirements or Incentive

The DAA elects to waive both the DVBE program requirement and incentive for this bid package

No DVBE requirement is made for this bid package.

Option 2 – DVBE Program Requirements Only

The DAA elects to include the DVBE program requirement for this bid package but not the incentive

Bidders must complete and return the attached

Bidder and Sub-Contractor Performance Declaration, GSPD-05-105 (08/09) and
DVBE Declaration – Bidder Not a Broker, STD.843 (5/06), as applicable.

See also attached **DVBE Program Requirements** for information on how to comply.

Option 3 – DVBE Incentive Only

The DAA elects to include the DVBE incentive for this bid package but waives the program requirement

Bidders must complete and return the attached

Bidder and Sub-Contractor Performance Declaration, GSPD-05-105 (08/09) and
DVBE Declaration, Bidder Not a Broker STD.843 (5/06), as applicable.

See also attached **DVBE Incentive Instructions** for information on how to comply.

Option 4 – DVBE Program Requirements and DVBE Incentive

The DAA elects to include both the DVBE program requirements and incentive for this bid package

Bidders must complete and return the attached

Bidder and Sub-Contractor Performance Declaration, GSPD-05-105 (08/09) and
DVBE Incentive Declarations, STD-843 (05/06), as applicable.

See also attached

DVBE Program Requirements and
DVBE Incentive Instructions for information on how to comply.

D.

Compliance Documentation

DAAs provide an accounting of all contracts filed on a quarterly basis through their quarterly report filed with F&E (please refer to Part 1.30 of this Manual for information). Quarterly reports include columns for tracking and reporting DVBE compliance. Two columns are provided for this: "DVBE qualified contract (yes/no)?" and "DVBE dollar amount contracted." Tracking this information will assist in calculating the overall percentage of DVBE contracting.

To calculate the percentage of DVBE contracting for only DVBE qualified contracts, divide the "DVBE dollar amount contracted" by the "total contract dollar amount" times 100. DAAs that maintain or exceed 3% of their total contracting for DVBE contracts for two out of the past three years have the option to waive DVBE program and/or incentive requirements for a given qualified contract.

Please refer to Part 1.30 of this Manual for information.

4.05 DAA DVBE Monitoring Responsibilities

DGS has identified the following DVBE monitoring responsibilities that awarding agencies must fulfill:

A. Compliance

1. The DAA shall establish a method of monitoring adherence to the goals. Examples of monitoring methods include:
 - a. Contacting DVBE's listed for participation upon award of contract.
 - b. Post award audits.
2. DAAs must report program violations as follows to the **DGS-OSDC**. Procurement Division Protest and Resolution Unit. PD subsequently forwards the allegations to the Attorney General for possible action. It is unlawful for a person or firm to:
 - a. Knowingly and with intent to defraud, fraudulently obtain or retain certification as a DVBE.
 - b. Willfully and knowingly make a false statement with the intent to defraud, to influence certification of any entity as a DVBE.
 - c. Willfully and knowingly obstruct an investigation regarding DVBE certification.
 - d. Knowingly and with intent to defraud, obtaining or attempting to obtain public moneys to which the person is not entitled under the DVBE Participation Program.
 - e. Establish or cooperate in the establishment of, or exercise control over, a firm found to have violated the above. Violators are guilty of a misdemeanor and may also be liable for a civil penalty. Additionally, violators shall be suspended from bidding on, or participating as either a contractor, subcontractor, or supplier in any state contract or project. Prior to reporting an alleged violation of PCC § 10115.10 to the **DGS-OSDC** Protest and Dispute Resolution DAAs must investigate the alleged violation and must prepare a written report of their findings. The written report must also include a recommendation for action to be taken commensurate with the DAA's findings and must be submitted to the Protest and Dispute Resolution Unit **DGS-OSDC** within 60 days of notification to the DAA the alleged violation.
 - f. For contracts with DVBE goals, agencies should include the following language to assist in verifying compliance: "Contractor agrees to provide verification, in a form agreed to by the state, that DVBE subcontractor participation under this agreement is in compliance with the goals specified at the time of award of contract, or with any subsequent amendment."

B.**Substitution of Subcontractors**

1. After award of a contract, the successful bidder/contractor must use the DVBE subcontractors and/or suppliers proposed in the bid or proposal to the state unless a substitution is requested. The bidder/contractor must request the substitution in writing to the DAA and the DAA must approve the substitution in writing prior to commencement of any work by the proposed subcontractor/supplier. At a minimum, the substitution must include:
 - a. A written explanation of the reason for the substitution.
 - A written description of the business enterprise to be substituted, including the DVBE certification status of the firm.
 - b. If applicable, the contractor must also include the reason a non-DVBE subcontractor is proposed for use.
 - c. A written notice detailing a clearly defined portion of the work identified both as a task and as a percentage share/dollar amount of the overall contract that the substitution business will perform.
2. The request for substitution of DVBE and the DAA's approval or disapproval cannot be used as an excuse for noncompliance with any other provision of law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (PCC §§ 4100 et seq.) or any other contract requirements relating to substitution of subcontractors.
3. The DAA may consent to the substitution of another person or business as a subcontractor in any of the following situations:
 - a. When the subcontractor listed in the bid, after having a reasonable opportunity to do so, fails or refuses to execute a written contract, when that written contract based upon the general terms, conditions, plans and specifications for the project involved or the terms of that subcontractor's written bid, is presented to the subcontractor by the prime contractor.
 - b. When the listed subcontractor becomes bankrupt or insolvent, or goes out of business.
 - When the listed subcontractor fails or refuses to perform his/her subcontract.
 - When the listed subcontractor fails or refuses to meet the bond requirements of the prime contractor.
 - When the prime contractor demonstrated to the DAA that the name of the subcontractor was listed as a result of an inadvertent clerical error.
 - When the listed subcontractor is not licensed pursuant to any applicable licensing requirement of any regulatory agency of the State of California.
 - When the DAA determines that the work performed by the listed subcontractor is substantially unsatisfactory and not in substantial accordance with the plans and specifications, or that the subcontractor is substantially delaying or disrupting the process of the work.
4. Prior to the approval of the prime contractor's request for substitution, the DAA, or its duly authorized officer, must give notice in writing to the listed subcontractor of the prime contractor's request to substitute and the reasons for the request. The notice shall be served by certified or registered mail to the last known address of the subcontractor.
5. The listed subcontractor who has been so notified will have five working days within which to submit written objections to the substitution of the DAA. Failure to file these written objections will constitute the listed subcontractor's consent to the substitution. If written objections are filed, the DAA shall give at least five working days notice in writing to the listed subcontractor of a hearing by the DAA on the prime contractor's request for substitution.

Specific questions regarding the state's DVBE Program and requirements should be directed to:

DEPARTMENT OF GENERAL SERVICES

Small Business & DVBE Certification

707 Third Street

West Sacramento CA 95605

(916) 375-4940

www.dgs.ca.gov/smbus

DVBE Program Requirements

ATTACHMENT _____
Solicitation Number _____

**CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)
PROGRAM REQUIREMENTS – NOT FOR GOODS AND INFORMATION TECHNOLOGY**
(Revision Date 09/03/09)

Please read the requirements and instructions carefully before you begin.

AUTHORITY. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq. **Recent legislation has modified the program significantly in that a bidder may no longer demonstrate compliance with program requirements by performing a "good faith effort" (GFE).**

The minimum DVBE participation percentage (goal) is 3% for this solicitation unless another percentage is specified in the solicitation. A DVBE incentive will be given to bidders who provide DVBE participation, unless stated elsewhere in the solicitation that the DVBE incentive has been waived.

INTRODUCTION. The bidder must complete the identified form to comply with this solicitation's DVBE program requirements. Bids or proposals (hereafter called "bids") that fail to submit the required form and fully document and meet the DVBE program requirement shall be considered non-responsive.

Information submitted by the intended awardee to comply with this solicitation's DVBE requirements will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of certain provisions may be subject to loss of certification, penalties and/or contract termination.

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called "DVBE") who perform a commercially useful function relevant to this solicitation, may be used to satisfy the DVBE program requirements. The criteria and definition for performing a commercially useful function are contained herein on the page entitled **Resources & Information**. Bidders are to verify each DVBE subcontractor's certification with OSDS to ensure DVBE eligibility.

PLEASE READ ALL INSTRUCTIONS CAREFULLY. These instructions contain information about the DVBE program requirements, bidder responsibilities, and the DVBE Bid Incentive. Bidders are responsible for thorough review and compliance with these instructions.

To meet the DVBE program requirements, bidders must complete and fully document compliance with the following:

Commitment to full DVBE participation - For a bidder who is a DVBE or who is able to meet the commitment to use identified certified DVBE(s) to fulfill the full DVBE participation goal.

COMMITMENT – Commit to meet or exceed the DVBE participation requirement in this solicitation by either Method A1 (bidder is a California certified DVBE) or A2 (bidder is not a California certified DVBE). Bidders must document DVBE participation commitment by completing and submitting the Bidder Declaration (GSPD-05-105) located elsewhere within the solicitation document. Failure to complete and submit the required form as instructed shall render the bid non-responsive.

At the State's option prior to award of the contract, a written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation may request information that includes but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

Method A1. Certified DVBE bidder:

- a. Commit to performing at least 3% of the contract bid amount (unless otherwise specified) with the prime bidder's firm or in combination with another DVBE(s).
- b. Document DVBE participation on the Bidder Declaration GSPD-05-105.
- c. At the State's option a DVBE bidder working in combination with other DVBEs shall submit proof of its commitment by submitting a written confirmation from the DVBE(s) identified as a subcontractor on the Bidder Declaration. When requested, the document must be submitted to the address or facsimile number specified and within the timeframe identified in the notification. Failure to submit the written confirmation as specified may be grounds for bid rejection.

Method A2. Non-DVBE bidder:

- a. Commit to using certified DVBE(s) for at least 3% (unless otherwise specified) of the bid amount.
- b. Document DVBE participation on the Bidder Declaration GSPD-05-105.
- c. At the State's option prior to contract award, a bidder shall submit proof of its commitment by submitting a written confirmation from each DVBE identified as a subcontractor on the Bidder Declaration GSPD-05-105. The awarding department contracting official named in the solicitation may contact each listed DVBE, by mail, fax or telephone, for verification of the bidder's submitted DVBE information. When requested, the document must be submitted to the address or facsimile number specified and within the timeframe identified in the notification. Failure to submit the written confirmation as specified may be grounds for bid rejection.

THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:

Awarding Department

Contact the department's contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. You may also contact the department's SB/DVBE Advocate for assistance.

Other State and Federal Agencies, and Local Organizations

STATE: Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.eprocure.dgs.ca.gov. To begin your search, click on "SB/DVBE Search." Search by "Keywords" or "United Nations Standard Products and Services Codes (UNSPSC) that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.eprocure.dgs.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.

FEDERAL: Search the U.S. Small Business Administration's (SBA) Central Contractor Registration (CCR) on-line database at www.ccr.gov to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the "help" button for detailed instructions. Remember to verify each firm's status as a California certified DVBE.

LOCAL: Contact local DVBE organization to identify DVBEs. For a list of local organizations, go to www.pd.dgs.ca.gov/smbus and select: [DVBE Local Contacts \(New 10/19\) \(pdf\)](#).

DVBE BID INCENTIVE. Unless stated elsewhere in the solicitation that the DVBE incentive has been waived, in accordance with Section 999.5(a) of the Military and Veterans Code an incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply an incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration GSPD-05-105 and confirmed by the State. The incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

A DVBE Business Utilization Plan (BUP) does not qualify a firm for a DVBE incentive. Bidders with a BUP, must submit a Bidders Declaration (GSPD-05-105) to confirm the DVBE participation for an element of work on this solicitation in order to claim a DVBE incentive(s).

RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation**. For a directory of SB/DVBE Advocates for each department go to: <http://www.pd.dgs.ca.gov/smbus/advocate.htm>.

The Department of General Services, Procurement Division (DGS-PD) publishes a list of trade and focus publications to assist bidders in locating DVBEs for a fee. To obtain this list, please go to www.pd.dgs.ca.gov/smbus and select:

- [DVBE Trade Paper Listing \(New 02/09\) \(pdf\)](#)
- [DVBE Focus Paper Listing \(New 02/09\) \(pdf\)](#)

U.S. Small Business Administration (SBA)

Use the Central Contractor Registration (CCR) on-line database.
Internet contact only -Database: www.ccr.gov/

FOR:

Service-Disabled Veteran-owned
businesses in California (Remember to
verify each DVBE's California
certification.)

Local Organizations: Go to www.pd.dgs.ca.gov/smbus and select:
[DVBE Local Contacts \(New 02/09\) \(pdf\)](#)

FOR:

List of potential DVBE subcontractors

DGS-PD EProcurement

Website: www.eprocure.dgs.ca.gov
Phone: (916)375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CSCR Ads
- Click on Training tab to Access eProcurement Training Modules including: Small Business (SB)DVBE Search

DGS-PD Office of Small Business and DVBE Services (OSDS)

707 Third Street, Room 1-400, West Sacramento, CA 95805
Website: www.pd.dgs.ca.gov/smbus
OSDS Receptionist, 8 am-5 pm: (916) 375-4940
PD Receptionist, 8 am-5 pm: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of California-Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Info.
- DVBE Business Utilization Plan
- Small Business/DVBE Advocates

Commercially Useful Function Definition

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f), is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

Bidder and Subcontractor Performance Declaration (GSPD-05-105)

State of California – Department of General Services, Procurement Division
GSPD-05-105 (REV 08/09)

Solicitation Number _____

BIDDER DECLARATION

1. Prime bidder information (Review attached Bidder Declaration Instructions prior to completion of this form):
 - a. Identify current California certification(s) (MB, SB, NVSA, DVBE): _____ or None _____ (If "None", go to Item #2)
 - b. Will subcontractors be used for this contract? Yes _____ No _____ (If yes, indicate the distinct element of work your firm will perform in this contract e.g., list the proposed products produced by your firm, state if your firm owns the transportation vehicles that will deliver the products to the State, identify which solicited services your firm will perform, etc.). Use additional sheets, as necessary.
2. c. If you are a California certified DVBE: (1) Are you a broker or agent? Yes _____ No _____
(2) If the contract includes equipment rental, does your company own at least 51% of the equipment provided in this contract (quantity and value)? Yes _____ No _____ N/A _____

2. If no subcontractors will be used, skip to certification below. Otherwise, list all subcontractors for this contract. (Attach additional pages if necessary):

Subcontractor Name, Contact Person, Phone Number & Fax Number	Subcontractor Address & Email Address	CA Certification (MB, SB, NVSA, DVBE or None)	Work performed or goods provided for this contract	Corresponding % of bid price	Good Standing?	51% Rental?

CERTIFICATION: By signing the bid response, I certify under penalty of perjury that the information provided is true and correct.

Page _____ of _____

BIDDER DECLARATION Instructions

All prime bidders (the firm submitting the bid) must complete the Bidder Declaration.

- 1.a. Identify all current certifications issued by the State of California. If the prime bidder has no California certification(s), check the line labeled "None" and proceed to Item #2. If the prime bidder possesses one or more of the following certifications, enter the applicable certification(s) on the line:
 - Microbusiness (MB)
 - Small Business (SB)
 - Nonprofit Veteran Service Agency (NVSA)
 - Disabled Veteran Business Enterprise (DVBE)
- 1.b. Mark either "Yes" or "No" to identify whether subcontractors will be used for the contract. If the response is "No," proceed to Item #1.c. If "Yes," enter on the line the distinct element of work contained in the contract to be performed or the goods to be provided by the prime bidder. Do not include goods or services to be provided by subcontractors.

Bidders certified as MB, SB, NVSA, and/or DVBE must provide a commercially useful function as defined in Military and Veterans Code Section 999 for DVBEs and Government Code Section 14837(d)(4)(A) for small/microbusinesses.

Bids must propose that certified bidders provide a commercially useful function for the resulting contract or the bid will be deemed non-responsive and rejected by the State. For questions regarding the solicitation, contact the procurement official identified in the solicitation.

Note: A subcontractor is any person, firm, corporation, or organization contracting to perform part of the prime's contract.

- 1.c. This item is only to be completed by businesses certified by California as a DVBE.
 - (1) Declare whether the prime bidder is a broker or agent by marking either "Yes" or "No." The Military and Veterans Code Section 999.2 (b) defines "broker" or "agent" as a certified DVBE contractor or subcontractor that does not have title, possession, control, and risk of loss of materials, supplies, services, or equipment provided to an awarding department, unless one or more of the disabled veteran owners has at least 51-percent ownership of the quantity and value of the materials, supplies, services, and of each piece of equipment provided under the contract.
 - (2) If bidding rental equipment, mark either "Yes" or "No" to identify if the prime bidder owns at least 51% of the equipment provided (quantity and value). If **not** bidding rental equipment, mark "N/A" for "not applicable."
2. If no subcontractors are proposed, do not complete the table. Read the certification at the bottom of the form and complete "Page ___ of ___" on the form.

If subcontractors will be used, complete the table listing all subcontractors. If necessary, attach additional pages and complete the "Page ___ of ___" accordingly.

2. (continued) Column Labels

Subcontractor Name, Contact Person, Phone Number & Fax Number—List each element for all subcontractors.

Subcontractor Address & Email Address—Enter the address and if available, an Email address.

CA Certification (MB, SB, NVSA, DVBE or None)—If the subcontractor possesses a current State of California certification(s), verify on this website (www.eprocure.pd.dgs.ca.gov).

Work performed or goods provided for this contract—Identify the distinct element of work contained in the contract to be performed or the goods to be provided by each subcontractor. Certified subcontractors must provide a commercially useful function for the contract. (See paragraph 1.b above for code citations regarding the definition of commercially useful function.) If a certified subcontractor is further subcontracting a greater portion of the work or goods provided for the resulting contract than would be expected by normal industry practices, attach a separate sheet of paper explaining the situation.

Corresponding % of bid price—Enter the corresponding percentage of the total bid price for the goods and/or services to be provided by each subcontractor. Do not enter a dollar amount.

Good Standing?—Provide a response for each subcontractor listed. Enter either "Yes" or "No" to indicate that the prime bidder has verified that the subcontractor(s) is in good standing for all of the following:

- Possesses valid license(s) for any license(s) or permits required by the solicitation or by law
- If a corporation, the company is qualified to do business in California and designated by the State of California Secretary of State to be in good standing
- Possesses valid State of California certification(s) if claiming MB, SB, NVSA, and/or DVBE status

51% Rental?—This pertains to the applicability of rental equipment. Based on the following parameters, enter either "N/A" (not applicable), "Yes" or "No" for each subcontractor listed.

Enter "N/A" if the:

- Subcontractor is NOT a DVBE (regardless of whether or not rental equipment is provided by the subcontractor)
- Subcontractor is NOT providing rental equipment (regardless of whether or not subcontractor is a DVBE)

Enter "Yes" if the subcontractor is a California certified DVBE providing rental equipment and the subcontractor owns at least 51% of the rental equipment (quantity and value) it will be providing for the contract.

Enter "No" if the subcontractor is a California certified DVBE providing rental equipment but the subcontractor does NOT own at least 51% of the rental equipment (quantity and value) it will be providing.

Read the certification at the bottom of the page and complete the "Page ___ of ___" accordingly.

DVBE Declaration (Std. 843)

STATE OF CALIFORNIA – DEPARTMENT OF GENERAL SERVICES PROCUREMENT DIVISION

DISABLED VETERAN BUSINESS ENTERPRISE DECLARATIONS

STD-843 (Rev. 5/2006)

Instructions: The disabled veteran (DV) owner(s) and DV manager(s) of the Disabled Veteran Business Enterprise (DVBE) must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment [Military and Veterans Code Section 999.2]. Violations are misdemeanors and punishable by imprisonment or fine and violators are liable for civil penalties. All signatures are made under penalty of perjury.

SECTION 1

Name of certified DVBE: _____ DVBE Ref. Number: _____

Description (materials/supplies/services/equipment proposed): _____

Solicitation/Contract Number: _____ SCPRS Ref. Number: _____
(FOR STATE USE ONLY)

SECTION 2

APPLIES TO ALL DVBEs. Check only one box in Section 2 and provide original signatures.

I (we) declare that the DVBE is not a broker or agent, as defined in Military and Veterans Code Section 999.2 (b), of materials, supplies, services or equipment listed above. Also, complete Section 3 below if renting equipment.

Pursuant to Military and Veterans Code Section 999.2 (f), I (we) declare that the DVBE is a broker or agent for the principal(s) listed below or on an attached sheet(s). (Pursuant to Military and Veterans Code 999.2 (e), State funds expended for equipment rented from equipment brokers pursuant to contracts awarded under this section shall not be credited toward the 3-percent DVBE participation goal.)

All DV owners and managers of the DVBE (attach additional pages with sufficient signature blocks for each person to sign):

(Printed Name of DV Owner/Manager) _____ (Signature of DV Owner/Manager) _____ (Date Signed) _____

(Printed Name of DV Owner/Manager) _____ (Signature of DV Owner/Manager) _____ (Date Signed) _____

Firm/Principal for whom the DVBE is acting as a broker or agent: _____ (Print or Type Name)
(If more than one firm, list on extra sheets.)

Firm/Principal Phone: _____ Address: _____

SECTION 3

APPLIES TO ALL DVBEs THAT RENT EQUIPMENT AND DECLARE THE DVBE IS NOT A BROKER.

Pursuant to Military and Veterans Code Section 999.2 (c), (d) and (g), I am (we are) the DV(s) with at least 51% ownership of the DVBE, or a DV manager(s) of the DVBE. The DVBE maintains certification requirements in accordance with Military and Veterans Code Section 999 et. seq.

The undersigned owner(s) own(s) at least 51% of the quantity and value of each piece of equipment that will be rented for use in the contract identified above. I (we), the DV owners of the equipment, have submitted to the administering agency my (our) personal federal tax return(s) at time of certification and annually thereafter as defined in Military and Veterans Code 999.2, subsections (c) and (g). Failure by the disabled veteran equipment owner(s) to submit their personal federal tax return(s) to the administering agency as defined in Military and Veterans Code 999.2, subsections (c) and (g), will result in the DVBE being deemed an equipment broker.

Disabled Veteran Owner(s) of the DVBE (attach additional pages with signature blocks for each person to sign):

(Printed Name) _____ (Signature) _____ (Date Signed) _____

(Address of Owner) _____ (Telephone) _____ (Tax Identification Number of Owner) _____

Disabled Veteran Manager(s) of the DVBE (attach additional pages with sufficient signature blocks for each person to sign):

(Printed Name of DV Manager) _____ (Signature of DV Manager) _____ (Date Signed) _____

Page _____ of _____

PRINT **CLEAR**

DVBE Bid Incentive Instructions

(REV 09/09)

ATTACHMENT Solicitation Number

CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) BID INCENTIVE INSTRUCTIONS

Please read the instructions carefully before you begin.

AUTHORITY. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq. Recent legislation has modified the program significantly in that a bidder may no longer demonstrate compliance with program requirements by performing a "good faith effort" (GFE).

This solicitation does not include a minimum DVBE participation percentage or goal.

DVBE BID INCENTIVE. A DVBE incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply a DVBE Bid incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document) and confirmed by the State. The DVBE incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%
2% to 2.99% inclusive	2%
1% to 1.99% inclusive	1%

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

INTRODUCTION. Bidders must document DVBE participation commitment by completing and submitting a Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document). Bids or proposals (hereafter called "bids") that fail to submit the required form to confirm the level of DVBE participation will not be eligible to receive the DVBE incentive.

ATTACHMENT

Solicitation Number

Information submitted by the intended awardee to claim the DVBE incentive(s) will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of certain provisions may be subject to loss of certification, penalties and/or contract termination.

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called "DVBE") who perform a commercially useful function relevant to this solicitation, may be used to qualify for a DVBE incentive(s). The criteria and definition for performing a commercially useful function are contained herein on the page entitled Resources & Information. Bidders are to verify each DVBE subcontractor's certification with OSDS to ensure DVBE eligibility.

At the State's option prior to award of the contract, a written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation may request information that includes but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

THE DVBE BUSINESS UTILIZATION PLAN (BUP): DVBE BUPs are a company's commitment to expend a minimum of 3% of its total statewide contract dollars with DVBEs -- this percentage is based on all of its contracts held in California, not just those with the State. A DVBE BUP does not qualify a firm for a DVBE incentive. Bidders with a BUP, must submit a Bidders Declaration (GSP D-05-105) to confirm the DVBE participation for an element of work on this solicitation order to claim a DVBE incentive(s).

THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:

Awarding Department: Contact the department's contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. You may also contact the department's SB/DVBE Advocate for assistance.

Other State and Federal Agencies, and Local Organizations:

STATE: Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.eprocure.dgs.ca.gov. To begin your search, click on "SB/DVBE Search." Search by "Keywords" or "United Nations Standard Products and Services Codes (UNSPSC) that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.eprocure.dgs.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.

FEDERAL: Search the U.S. Small Business Administration's (SBA) Central Contractor Registration (CCR) on-line database at www.ccr.gov to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the "help" button for detailed instructions. Remember to verify each firm's status as a California certified DVBE.

LOCAL: Contact local DVBE organization to identify DVBEs. For list of local organizations, go to www.pd.dgs.ca.gov/smbus and select DVBE Local Contacts (Rev 02/09) (pdf).

RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation**. For a directory of SB/DVBE Advocates for each department go to: <http://www.pd.dgs.ca.gov/smbus/advocate.htm>.

The Department of General Services, Procurement Division (DGS-PD) publishes a list of trade and focus publications to assist bidders in locating DVBEs for a fee. To obtain this list, please go to www.pd.dgs.ca.gov/smbus and select:

- [DVBE Trade Paper Listing \(New 02/09\) \(pdf\)](#)
- [DVBE Focus Paper Listing \(New 02/09\) \(pdf\)](#)

U.S. Small Business Administration (SBA):

Use the Central Contractor Registration (CCR) on-line database.
Internet contact only -Database: www.ccr.gov

FOR:

Service-Disabled Veteran-owned businesses in California (Remember to verify each DVBE's California certification).

Local Organizations: Go to www.pd.dgs.ca.gov/smbus and select: [DVBE Local Contacts \(New 02/09\) \(pdf\)](#)

FOR:

List of potential DVBE subcontractors

DGS-PD EProcurement

Website: www.eprocure.dgs.ca.gov
Phone: (916) 375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CCSR Ads
- Click on Training tab to Access eProcurement Training Modules including: Small Business (SB) DVBE Search

DGS-PD Office of Small Business and DVBE Services (OSDS)

707 Third Street, Room 1-400, West Sacramento, CA 95605
Website: www.pd.dgs.ca.gov/smbus
OSDS Receptionist, 8 am - 5 pm: (916) 375-4940
PD Receptionist, 8 am - 5 pm: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of California-Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Info.
- DVBE Business Utilization Plan
- Small Business/DVBE Advocates

Commercially Useful Function Definition

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

CHAPTER 5: GENERAL CONTRACT PROVISION / PROCEDURAL INFORMATION

5.00 Payment Provisions

Every contract must state in what form, the frequency, and upon what basis money will exchange hands; in other words, a payment provision. Following are descriptions of possible methods of payment:

A. Lump Sum Payments

For lump sum payments, the exact amount to be paid upon completion of the contract is stated in the contract. After the satisfactory completion of the terms of the contract, payment is made to the contractor. Suggested payment language to use in contract:

“DAA agrees to pay (contractor) the sum of \$_____ upon satisfactory completion of the terms of this contract.”

B. Unit Rate Payments

This is used when the exact amount of payment cannot be determined before work commences. In such cases, the payment provision must clearly state a rate of pay per unit, and include a “not to exceed” clause. Payment is made upon satisfactory completion of the work, based upon the actual final amount (rate x units), which must be no more than the “not to exceed clause.” Payment over the “not to exceed amount” cannot be made without a contract amendment. Suggested payment language to use in contract:

“DAA agrees to pay (contractor) the sum of \$_____ per (unit) upon satisfactory completion of the terms of this contract. The total amount of this contract shall not exceed \$_____.

C. Progress Payments

Progress payments are partial payments made at clearly identifiable stages of progress, based upon written progress reports. It is recommended that progress payments only be made for contracts that are at least three months in duration, and that the progress payments are made not more frequently than monthly. The following rules apply to progress payments:

1. Progress payments may never be made in advance of services rendered.
2. Ten percent (10%) of amount due must be retained from each progress payment.
3. Upon satisfactory completion of all services, the total amount that has been withheld from each progress payment will be paid to the contractor.
4. If the contract is bid, then the bid document must state that progress payments will be made.

Suggested payment language to use in contract:

“DAA agrees to pay (contractor) \$_____. No payment shall be made in advance of services rendered. Progress payments will be made no more frequently than once a month. In computing the amount of any progress payment, the DAA shall determine what the contractor has earned during the period for which payment is being made, but shall retain out of such earnings an amount equal to at least 10% thereof, pending satisfactory completion of the entire contract.

D. Advance Payments

A DAA may not make payments prior to work performed.

5.05 Contract Termination Clauses

A. Standard Agreements

Termination for Cause

The General Terms and Conditions form GTC 610 that is Exhibit C for Standard Agreements contains Termination for Cause language. This language should not be changed or modified.

Termination without Cause

The pre-printed standard agreement contract forms do not contain a termination clause to allow the DAA to terminate the contract without cause. It is recommended that the DAA add termination clause language to their contract that allows the DAA to terminate the contract without cause, with advance written notice provided to the contractor. Suggested language:

"The fair reserves the right to terminate any contract, at any time by giving the contractor notice in writing at least ____ days prior to the date when such termination shall become effective. Such termination shall relieve the fair of a further payment, obligations, and/or performances required in the terms of the contract."

It is not recommended that **mutual** termination without cause be included in the contract.

B. Rental Agreements

Rental Agreements already contain pre-printed mutual termination without cause language. If a different termination clause is used, then the pre-printed clause must be deleted and the new language added to the contract. All of these changes must be initialed by both parties.

5.10 Multiple Year Contracts/Options to Renew

- If a contract is for more than one year (multi-year) or contains options to renew which if exercised would make the contract multi-year, a written justification explaining why it is in the best interest of the DAA must be included in the contract file, and in the contract package if the contract requires F&E approval. This justification may be added to the *Std. 215 Agreement Summary* or prepared on a separate sheet of paper.
- Normally, the overall term of a contract (including all options to renew) may not exceed five years. **If contract exceeds a five year term, pre-approval from F&E must be requested in writing and approved in writing by F&E prior to execution of the contract.** Contracts exceeding five years will only be approved under certain circumstances, such as major capital improvements to be made by the contractor etc.
- The contract dollar amount to be used to determine bid, approval, and other contract requirements is the total dollar amount including all years of a multi-year contract, as well as all option year amounts if contract has options to renew.
- For contracts with options to renew, the bid documents and resulting contract must contain information regarding the options to renew including who (DAA, or contractor and DAA) may exercise the option, how to exercise option (i.e. "in writing at least 30 days prior to the expiration date"), the number and length of options, and how the dollar amount for option years will be determined.
- When exercising an option to renew, the preferred method to use is a contract amendment.

5.15 Personal Services Considerations

Personal services contracts have come under close scrutiny of employee organizations, and consequently the State Personnel Board, in recent years. Following are instructions for identifying and justifying personal services contracts. DAA's may only enter into those personal services contracts that are permissible as described below. Note that personal services contracts are still subject to all bid requirements and other contracting requirements as stated in the Contract Manual.

A. Definition

Title 2. California Administrative Code, Section 279.1 defines “personal services contract” as any contract (except public works contracts) under which labor or personal services are a significant, separately identifiable element.

B. Use of Personal Services Contracts

The use of a personal services contract is permissible if the contract meets any of the criteria under Government Code 19130(b), listed in Part E below.

C. Documentation/Justification

Typically, personal services contracts permissible under 19130(b) will fall under criteria 3 or 10 (listed below). The applicable 19130(b) criteria must be listed on the Std. 215, Contract Summary, Section 17. Per the California Code of Regulations, Title 2, 547.60 – 547.68, the fair must also provide a justification /explanation describing why the contract falls under those particular criteria, including any pertinent details. The information must be documented so that if an employee organization contacts the State Personal Board regarding a contract, the facts upon which the DAA made the determination that the contract was permissible are readily available for review. Include this information on the Std. 215 or on a separate sheet of paper, and keep as part of the contract file.

D. Approval

If the contract exceeds \$75,000.00, submit the contract package (including the justification described above) to F&E. F&E will forward the applicable parts of the package to Human Resources Branch (HRB) for their review and approval of the personal services aspect of the contract.

Personal services contracts \$75,000.00 or less, do not come to F&E for approval. However, the DAA should contact HRB to determine whether or not they want to review these contracts.

E. 19130(b) Criteria

The following are the ten criteria under 19130(b), **any** of which make the contract permissible as far as personal service considerations are concerned:

1. The functions contracted are exempted from civil service by Section 4 of Article VII of the California Constitution, which describes exempt appointments.
2. The contract is for a new state function and the Legislature has specifically mandated or authorized the performance of the work by independent contractors.

3. The services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system. Note: If DAA is uncertain whether or not there may be available civil service classifications for the work to be performed, contact Human Resources Branch for assistance.
4. The services are incidental to a contract for the purchase or lease of real or personal property. Contracts under this criterion, known as "service agreements" shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.
5. The legislative, administrative, or legal goals and purposes cannot be accomplished through the utilization of persons selected pursuant to the regular civil service system. Contracts are permissible under this criterion to protest against a conflict of interest or to insure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.
6. The nature of the work is such that the Government Code standards for emergency appointments apply. These contracts shall conform with Article 8 (commencing with Section 19888) of Chapter 2.5 of Part 2.6.
7. State agencies need private counsel because a conflict of interest on the part of the Attorney General's office prevents it from representing the agency without compromising its position. These contracts shall require the written consent of the Attorney General, pursuant to Section 11040.
8. The contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the state in the location where the services are to be performed.
9. The contractor will conduct training courses, for which appropriately qualified civil service instructors are not available, provided that permanent instructor positions in academies or similar settings shall be filled through civil service appointment.

10. The services are of such an urgent, temporary or occasional nature that the delay incumbent in their implementation under civil service would frustrate their very purpose. Personal Services Contracts Not Meeting 19130(b) Criteria

F.

Personal Service Contracts Not Meeting 19130(b) Criteria

A personal services contract that does not meet any of the 19130(b) criteria can only be entered to if it is approved by the State Personnel Board as a "cost-savings" contract. The stringent requirements of such a contract as well as the lengthy State Personnel Board approval process make these contracts not a viable option except in the most unusual circumstance.

CHAPTER 6: SPECIFIC TYPES OF CONTRACTS (INFORMATION, WORKSHEETS, SPECIAL FORMS)

6.00 Carnival Contracts

A. Bidding Requirements

Pre-review by F&E of carnival bidding packages prior to their release is required. Notifications and/or bid packages must be sent certified mail to all carnival operators on the CFSA Carnival Master Insurance List with insurance coverage for fairtime operation (see Item B below), and also to any other carnival operator who has requested notification/bid package.

DAA

Although DAA carnival contracts are considered rental agreements, they must be bid. There are two types of bid packages for carnivals:

1. Two-Tier and
2. High Score Fill-in-the-Blank carnival RFP packages are located on the F&E Portal (see Part 1.00 of this manual for instructions to access the Portal).

County and Citrus Fruit Fairs

County and Citrus Fruit Fairs must bid their carnival contracts. County and citrus fruit fairs may use our boilerplate carnival bid packages or use documentation provided by their county contracting officials. They must also follow the specific requirements set forth in the Food and Agricultural Code Section 4511:

4511 (a) *All county fairs and citrus fruit fairs shall, prior to entering into a carnival contract, do both the following:*

1. *Notify all persons on the department's list of qualified carnival contractors of the contract opportunity at least 180 days prior to entering into the contract.*
2. *Provide all applicants for the carnival contract a hearing before the board or governing authority on their proposal.*

(b) *If a county fair or citrus fruit fair enters into a carnival contract with a person other than the highest bidder*

© No county fair or citrus fruit fair shall enter into a carnival contract for a term which exceeds three years without the approval of the department.

B. CFSA Carnival Master Insurance List

CFSA maintains a Carnival Master Insurance List. This list is at the back of the Master Insurance packet that CFSA sends to the fairs. For county fairs this list is the department's list of qualified carnival contractors' as referenced in Food and Agricultural Code Section 4511(a) 1 shown in Section A above. Questions regarding carnival insurance requirements or a carnival operator's current insurance status should be directed to Lianne Lewellen at CFSA (916) 263-6145.

C.

“Carnival” Fairtime Contract Worksheet
Rental Agreement
(Formal Bid Process Required)

Check off each item, as it is completed and/or added to the contract package.

- 1 - Std. 215, “Agreement Summary”** – Completed form.
- Include justification for multi-year contract, if applicable.
- CFSA Carnival Master Insurance List**
Check to ensure carnival operator is on current CFSA Carnival Master Insurance List to ensure that the carnival operator still has all insurance coverage's in place.
- 1 - Board Resolution or Delegation of Authority** (if multi-year, submit Board Resolution, and include total number of years, and total dollar amount).
- 3 – F-31 “Rental Agreement Forms”**
 - Submit 3 completed signed copies of the F-31 with all applicable items completed as required.
 - Authorized signatures of contractor and DAA CEO on each copy of F-31.
 - If changing termination clause, add new clause and line out pre-printed clause on reverse of F-31. Both parties initial.
 - Any changes made to documentation initialed by both parties.

Attach and incorporate the following exhibits:

- Standard Contract Terms and Conditions, SCTC (F-31) or using new F-31 with SCTC language included.
- CFSA Insurance Requirements Form.

Bidding Documentation:

- 1 – Copy of DAA’s RFP.
- 1 – Copy of certified mail receipts (for notices sent and/or RFP’s sent to carnival operators on pre-qualified list).
- 1 – Copy of each proposal received.
- 1 – Copy of all score sheets.
- Add the following statement to the contract:
“The DAA’s bid package dated _____, and the contractor’s bid,
dated _____, are on file at the DAA and at the Division of Fairs and Expositions’
Office in Sacramento, and are incorporated herein by reference and made a part of this
contract.”

6.05 Contract Amendments

An amendment is a formal modification to a contract.

A. Format and Approval

- Amendments for Standard Agreements are prepared using the Std. 213A.
- Amendments for Rental Agreements are typed on letterhead.
- Number the amendment by using the original contract # followed by "AM #1". Use this sequence for each succeeding amendment.
- A Std. 215 is required for all Std. 213A amendments, and for Rental Agreement amendments that require F&E approval.
- An amendment may not be used to circumvent the competitive bidding process; however, in the case of a protested contract award, the existing contract may be amended to extend the expiration date until the protest is over.
- Amendments for contracts that originally required F&E approval need F&E approval.
- If the original contract did not need approval from F&E, but the amendment increases the dollar amount of the contract over \$75,000 then the entire original contract package must be submitted to F&E for approval, along with the amendment(s) for approval.

B. Amendment Language

- The amendment should contain the same degree of specificity for changes that the original contract contained for the same item.
- The items of work covered by the amendment should be clearly written as part of the contract. Example: "Scope of work Exhibit X is hereby amended to include additional items of work as shown on Exhibit X1".
- Paragraphs being amended should be clearly identified. Example: "Paragraph X is hereby amended to read: The total amount of this contract is . . . "
- Make sure the terms and conditions of the amendment are approved by the DAA board.
- The amendment must include the following statement:
"Except as herein amended, all other terms and conditions remain as previously agreed upon."
- A Std. 215 Agreement Summary must be completed for all amendments.
- The effective date language of the amendment should be specified without affecting the contract period. An example of correct language is: "The effective date of this amendment is . . ." **Do not** use such wording as, "This contract is effective from (amendment date) to ending date." Such terminology has the legal effect of moving the starting date of the entire contract up to the amendment date.
- The amendment must be signed by both parties.

C.

Contract Amendment Worksheet

Check off each item, as it is completed and/or added to the contract package. See preceding Contract Manual page for details for the items listed.

- 1 - Std. 215, "Agreement Summary"** – Completed form.
- 1 - Board Resolution or Delegation of Authority**
- Contract Form**
 - 3 – Std. 213A Amendment forms**, if amending a Standard Agreement.
- or**
 - 3 – Letterhead document for Rental Agreement Amendment**
 - Amendment correctly numbered.
 - Detailed description of changes.
 - Correct amendment effective date language (see previous page).
 - Following language included in the amendment ““Except as herein amended, all other terms and conditions remain as previously agreed upon.”
- Copy of original contract with F&E approval stamp and signature and any previous amendments.

Note: If the original contract did not need approval from F&E, but the amendment increases the dollar amount of the contract over \$75,000 then the entire original contract package must be submitted to F&E for approval, along with the amendment(s) for approval.

6.10 Entertainment Contracts – Stage Acts

A. Bidding Requirements

Contracts for the actual entertainment are exempt from bidding requirements. **Contracts for entertainment coordinators to obtain entertainment for the fair are not exempt.** Entertainment coordination is a service and subject to the same bidding requirements as any contract for services (see Part 3 of this Manual).

B. Entertainment Contract Attachment

The Entertainment Contract Attachment must be attached and incorporated into all of the entertainment contracts. A copy of this form is on the following page of this manual. It covers the following two items:

1. Copyright Infringement Indemnification Language – required for all entertainment contracts.
2. Talent Agency License Certification
 - a. This language must be included in the contract even if the contractor does not believe that it applies. That is why the certification says “applicable requirements”, meaning that only applicable sections apply to the contractor/ contract. Labor Code Sections §271, §272. and §1700.5 are printed at the end of the Entertainment “Stage Acts” section for the contractor’s information, if requested.. The contractor may access Labor Code Sections §1700.5. At www.leginfo.ca.gov, click on California Law, Labor Code.

271. *No person, or agent or officer thereof, engaged in the business of promoting a theatrical enterprise where living individuals are used or employed in the presentation, except persons having a free and unencumbered title to the fee of the property on which the theatrical enterprise is produced, shall fail or neglect, before producing such enterprise in any period for which a single payment of wages is made, to have on hand or on deposit with a bank or trust company, in the county in which such enterprise is to be produced, or if there is no bank or trust company in the county, then in the bank or trust company nearest the place where such enterprise is produced, cash or readily salable securities of a market value sufficient to pay the wages of every individual used or employed in the production of such enterprise, or in connection therewith for such period. The provisions of this section shall not apply to the use or employment of individuals by a radio or television broadcasting enterprise; provided, there is on hand or on deposit with a bank or trust company in this State cash or readily salable securities of a market value sufficient to pay the wages of every individual used or employed in such enterprise, or in connection therewith. Theatrical enterprise as used in this section means the production of any circus vaudeville, carnival, revues, variety shows, musical comedies, operettas, opera, drama, theatrical, endurance contest, walkathon, marathon, derby, or other entertainments, exhibitions, or performances. Any person, or agent or officer thereof, who violates this section, is guilty of a misdemeanor.*

272. *Every person, agent, or officer thereof engaged in the businesses specified in Section 270, 270.5, 270.6, or 271, shall keep conspicuously posted upon the premises where persons are employed, a notice specifying the name and address of the bank or trust company where the required cash or readily salable securities are on deposit, or the name of the surety or sureties on the bond deposited pursuant to Section 270.5 or 270.6. Failure to keep the notice conspicuously posted is prima facie evidence of a violation of Section 270, 270.5, 270.6, or 271. **1700.5.** No person shall engage in or carry on the occupation of a talent agency without first procuring a license therefore from the Labor Commissioner. The license shall be posted in a conspicuous place in the office of the licensee. The license number shall be referred to in any advertisement for the purpose of the solicitation of talent for the talent agency. Licenses issued for talent agencies prior to the effective date of this chapter shall not be invalidated thereby, but renewals of those licenses shall be obtained in the manner prescribed by this chapter.*

ENTERTAINMENT CONTRACT ATTACHMENT

Copyright Infringement Indemnification

Contractor warrants and represents that no musical, literary or artistic work or other property protected by copyright will be performed reproduced or used in the performance of this contract unless contractor has previously thereto obtained written permission from the copyright holder. Contractor acknowledges that contractor acts under this contract as an independent contractor charged with the responsibility at their sole discretion, for selection, performance, reproduction and use of such musical, literary and artistic works a contractor deems appropriate and that contractor undertakes strict compliance with all laws respecting copyrights and the performance, reproduction and use of musical, literary and artistic works. Contractor warrants that in the performance of this contract, contractor will not infringe any statutory, common law or other right of any person by performing, reproducing or otherwise making use of any work or material. Contractor will indemnify, save and hold harmless the State and its agencies, including contracting district agricultural association, and their officers, agents, employee and servants from and against all claims, costs, and expenses (including legal fees), demands, actions and liability of every kind and character whatsoever with respect to copyright and the performance, reproduction and use of musical, literary and artistic works. Contractor authorizes the withholding of payment under this contract pending the final disposition of any claim which may result from the foregoing indemnification.

Talent Agency License Certification

“Contractor certifies compliance with applicable requirements in the talent agency sections of the Labor Code (§271 and §272 and §1700.5 et seq.)”

6.15 Entertainment “Stage Acts” Contract Worksheet

This Worksheet does not apply to contracts for entertainment coordinator services. Entertainment coordinator contracts are subject to bid requirements.

Check off each item, as it is completed and/or added to the contract package.

- 1 - Std. 215 “Agreement Summary”** – Completed form.
- 1- Evidence of Insurance** – If applicable - insurance certificate or page showing CFSA master certificate approval.
- 1 - Contractor Certification Clauses Form** – Completed and signed by contractor.
- 1- Board Resolution or Delegation of Authority**
- 3 - Std. 213 “Standard Agreement” Forms**
 - Submit 3 completed signed copies of the Std. 213 with all applicable items completed as required.
 - Completed Exhibit A Scope of Work (on Std. 213 itself or attached to each copy).
 - Completed Exhibit B Budget Detail and Payment Provisions (on Std. 213 or attached to each copy).
 - Authorized signatures of contractor and DAA CEO on each copy of Std. 213.
 - Termination Without Cause language added if applicable.
 - Any changes made to documentation initialed by both parties.

Attach and incorporate the following exhibits into the contracts:

- CFSA Insurance Requirements form if applicable.
- Entertainment Contract Attachment.

Note: If contract is over \$5,000, a “Contract Award Report”, Std. 16 form, must be sent to the Department of Fair Employment and House, 2014 “T” Street, Suite 210, Sacramento, CA 95814.

6.20 “Generic” Services Contract Worksheet

Check off each item, as it is completed and/or added to the contract package.

- 1- Std. 215, “Agreement Summary”** – Completed form. Include justification for multi-year contract, if applicable.
- 1 - Evidence of Insurance** - Insurance certificate or page showing CFSA master cert approval.
- 1 - Contractor Certification Clauses Form** – Completed and signed by contractor.
- 1-Board Resolution or Delegation of Authority** - (if multi-year, submit Board Resolution, and include total number of years, and total dollar amount)
- 3 - Std. 213 “Standard Agreement” Forms** - Submit 3 completed signed copies of the Std. 213 with all applicable items completed as required.
- Completed Exhibit A Scope of Work (on Std. 213 itself or attached to each copy).
- Completed Exhibit B Budget Detail and Payment Provisions (on Std. 213 or attached to each copy).
- Authorized signatures of contractor and DAA CEO on each copy of Std. 213.
- Termination without Cause language added if applicable.
- Any changes made to documentation initialed by both parties.

Bid Process Used

Check applicable box and then complete sections in appropriate box below.

- IFB
- RFP
- Alternative Bid Process

IFB or RFP Bidding Documentation:

- 1 – Copy of DAA’s RFP or IFB
- 1 – Copy of list to whom bid packages were sent
- 1 – Copy of each bid received
- 1 – Copy of all score sheets, if RFP
- Evidence of Advertising in CSCR
 - Covered by Fairs & Expositions’ CSCR Blanket Ad for fairtime.
 - CSCR ad placed by DAA for year-round or time in addition to fairtime (attach copy).

- Following statement added to contract:
"The DAA's bid package dated _____, and the contractor's bid, dated ___, are on file at the DAA and at the Division of Fairs and Expositions' Office in Sacramento, and are incorporated herein by reference and made a part of this contract."

DVBE Documentation

- Waived
- Applicable
 - Comply with 3% program requirement – All required documentation must be included.
 - Bidder and Subcontractor Performance Declaration (GSPD-05-105)
 - Disabled Veteran Business Enterprise (DVBE) Declaration (Std. 843)
 - Incentive Applied
 - Bidder and Subcontractor Performance Declaration (GSPD-05-105)
 - Disabled Veteran Business Enterprise (DVBE) Declaration (Std. 843)

Alternative Bid Process Documentation

- Copy of written quotes received
- Verification of each businesses small business or DVBE status: Either copies of the small business or DVBE certifications or printouts of pages from DGS website displaying firms' current certification status.

Attach to the contracts and incorporate the following exhibits:

- CFSA Insurance Requirements form

Note: If contract is over \$5,000, a "Contract Award Report", Std. 16 form, must be sent to the Department of Fair Employment and House, 2014 "T" Street, Suite 210, Sacramento, CA 95814.

6.25 Gun Show Contracts

Whether or not a fair rents out their facilities for gun shows is a policy decision to be made by the fair board and their community. DAA gun show contracts that are within the delegated contract approval amount do not require F&E review or approval.

Effective January 1, 2000 AB 295 amended Penal Code Sections 171b and 12071.1, and added Section 12071.4 to the Penal Code. This law applies to **all** gun shows in California. It imposes additional requirements and authorizes a program of law enforcement administered by the Department of Justice. A copy of the aforementioned Penal Code sections is attached. All fairs that choose to rent out their facilities for gun shows should study these sections to inform themselves as to how gun shows must operate under the new law. These sections include responsibilities of both the facility manager (fair) and the promoter/contractor. Any questions regarding these Penal Code Sections and their impact on gun shows and gun show contracts or the responsibilities of the fair or promoter/contractor should be directed to your assigned Attorney General's Office attorney.

Penal Code

171b. (a) Any person who brings or possesses within any state or local public building or at any meeting required to be open to the public pursuant to Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of, or Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of, the Government Code, any of the following is guilty of a public offense punishable by imprisonment in a county jail for not more than one year, or in the state prison:

- (1) Any firearm.
- (2) Any deadly weapon described in Section 653k or 12020.
- (3) Any knife with a blade length in excess of four inches, the blade of which is fixed or is capable of being fixed in an unguarded position by the use of one or two hands.
- (4) Any unauthorized tear gas weapon.
- (5) Any taser or stun gun, as defined in Section 244.5.
- (6) Any instrument that expels a metallic projectile, such as a BB or pellet, through the force of air pressure, CO2 pressure, or spring action, or any spot marker gun or paint gun.
- (b) Subdivision (a) shall not apply to, or affect, any of the following:
 - (1) A person who possesses weapons in, or transports weapons into, a court of law to be used as evidence.
 - (2) (A) A duly appointed peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, a retired peace officer with authorization to carry concealed weapons as described in subdivision (a) of Section 12027, a full-time paid peace officer of another state or the federal government who is carrying out official duties while in California, or any person summoned by any of these officers to assist in making arrests or preserving the peace while he or she is actually engaged in assisting the officer.
 - (B) Notwithstanding subparagraph (A), subdivision (a) shall apply to any person who brings or possesses any weapon specified therein within any courtroom if he or she is a party to an action pending before the court.
 - (3) A person holding a valid license to carry the firearm pursuant to Article 3 (commencing with Section 12050) of Chapter 1 of Title 2 of Part 4.
 - (4) A person who has permission to possess that weapon granted in writing by a duly authorized official who is in charge of the security of the state or local government building.
 - (5) A person who lawfully resides in, lawfully owns, or is in lawful possession of, that building with respect to those portions of the building that are not owned or leased by the state or local government.
 - (6) A person licensed or registered in accordance with, and acting within the course and scope of, Chapter 11.5 (commencing with Section 7512) or Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code who has been hired by the owner or manager of the building if the person has permission pursuant to paragraph (5).
 - (7) (A) A person who, for the purpose of sale or trade, brings any weapon that may otherwise be lawfully transferred, into a gun show conducted pursuant to Sections 12071.1 and 12071.4.
 - (B) A person who, for purposes of an authorized public exhibition, brings any weapon that may otherwise be lawfully possessed, into a gun show conducted pursuant to Sections 12071.1 and 12071.4.
- (c) As used in this section, "state or local public building" means a building that meets all of the following criteria:
 - (1) It is a building or part of a building owned or leased by the state or local government, if state or local public employees are regularly present for the purposes of performing their official duties. A state or local public building includes, but is not limited to, a building that contains a courtroom.

(2) It is not a building or facility, or a part thereof, that is referred to in Section 171c, 171d, 626.9, 626.95, or 626.10 of this code, or in Section 18544 of the Elections Code.

(3) It is a building not regularly used, and not intended to be used, by state or local employees as a place of residence.

12071.1. (a) No person shall produce, promote, sponsor, operate, or otherwise organize a gun show or event, as specified in subparagraph

(B) of paragraph (1) of subdivision (b) of Section 12071, unless that person possesses a valid certificate of eligibility from the Department of Justice. Unless the department's records indicate that the applicant is a person prohibited from possessing firearms, a certificate of eligibility shall be issued by the Department of Justice to an applicant provided the applicant does all of the following:

(1) Certifies that he or she is familiar with the provisions of this section and Section 12071.4.

(2) Ensures that liability insurance is in effect for the duration of an event or show in an amount of not less than one million dollars (\$1,000,000).

(3) Provides an annual list of the gun shows or events that the applicant plans to promote, produce, sponsor, operate, or otherwise organize during the year for which the certificate of eligibility is issued, including the date, time, and location of the gun shows or events.

(b) If during that year the information required by paragraph (3) of subdivision (a) changes, or additional gun shows or events will be promoted, produced, sponsored, operated, or otherwise organized by the applicant, the producer shall notify the Department of Justice no later than 30 days prior to the gun show or event.

(c) As used in this section, a "licensed gun show producer" means a person who has been issued a certificate of eligibility by the Department of Justice pursuant to subdivision (a). No regulations shall be required to implement this subdivision.

(d) The Department of Justice shall adopt regulations to administer the certificate of eligibility program under this section and shall recover the full costs of administering the program by fees assessed applicants who apply for certificates. A licensed gun show producer shall be assessed an annual fee of eighty-five dollars (\$85) by the department.

(e) (1) A willful failure by a gun show producer to comply with any of the requirements of this section, except for the posting of required signs, shall be a misdemeanor punishable by a fine not to exceed two thousand dollars (\$2,000), and shall render the producer ineligible for a gun show producer license for one year from the date of the conviction.

(2) The willful failure of a gun show producer to post signs as required by this section shall be a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000) for the first offense and not to exceed two thousand dollars (\$2,000) for the second or subsequent offense, and with respect to the second or subsequent offense, shall render the producer ineligible for a gun show producer license for one year from the date of the conviction.

(3) Multiple violations charged pursuant to paragraph (1) arising from more than one gun show or event shall be grounds for suspension of a producer's certificate of eligibility pending adjudication of the violations.

(f) Prior to the commencement of a gun show or event, the producer thereof shall, upon written request, within 48 hours, or a later time specified by the requesting law enforcement agency, make available to the requesting law enforcement agency with jurisdiction over the facility, a complete and accurate list of all persons, entities, and organizations that have leased or rented, or are known to the producer to intend to lease or rent, any table, display space, or area at the gun show or event for the purpose of selling, leasing, or transferring firearms.

The producer shall thereafter, upon written request, for every day the gun show or event operates, within 24 hours, or a later time specified by the requesting law enforcement agency, make available to the requesting law enforcement agency with jurisdiction over the facility, an accurate, complete, and current list of the persons, entities, and organizations that have leased or rented, or are known to the producer to intend to lease or rent, any table, display space, or area at the gun show or event for the purpose of selling, leasing, or transferring firearms.

This subdivision applies to persons, entities, and organizations whether or not they participate in the entire gun show or event, or only a portion thereof.

(g) The information that may be requested by the law enforcement agency with jurisdiction over the facility, and that shall be provided by the producer upon request, may include, but is not limited to, the following information relative to a vendor who offers for sale firearms manufactured after December 31, 1898: his or her complete name, and a driver's license or identification card number.

(h) The producer and facility manager shall prepare an annual event and security plan and schedule that shall include, at a minimum, the following:

(1) The type of shows or events including, but not limited to, antique or general firearms.

(2) The estimated number of vendors offering firearms for sale or display.

(3) The estimated number of attendees.

(4) The number of entrances and exits at the gun show or event site.

(5) The location, dates, and times of the shows or events.

(6) The contact person and telephone number for both the producer and the facility.

(7) The number of sworn peace officers employed by the producer or the facilities manager who will be present at the show or event.

(8) The number of non-sworn security personnel employed by the producer or the facility's manager who will be present at the show or event.

(i) The annual event and security plan shall be submitted by either the producer or the facility's manager to the Department of Justice and the law enforcement agency with jurisdiction over the facility. Not later than 15 days prior to the commencement of the gun show or event, the producer shall submit to the department, the law enforcement agency with jurisdiction over the facility site, and the facility's manager a revised event and security plan if significant changes have been made since the annual plan was submitted, including a revised list of vendors that the producer knows, or reasonably should know, will be renting tables, space, or otherwise participating in the gun show or event. The event and

security plan shall be approved by the facility's manager prior to the event or show after consultation with the law enforcement agency with jurisdiction over the facility. No gun show or event shall commence unless the requirements of this subdivision are met.

(j) The producer shall be responsible for informing prospective 12071.4 that apply to vendors.

(k) The producer shall, within seven calendar days of the commencement of the show or event, but not later than noon on Friday for a show or event held on a weekend, submit a list of all prospective vendors and designated firearms transfer agents who are licensed firearms dealers to the Department of Justice for the purpose of determining whether these prospective vendors and designated firearms transfer agents possess valid licenses and are thus eligible to participate as licensed dealers at the show or event. The department shall examine its records and if it determines that a dealer's license is not valid, it shall notify the show or event producer of that fact prior to the commencement of the show or event.

(l) If a licensed firearms dealer fails to cooperate with a producer or fails to comply with the applicable requirements of this section or Section 12071.4, that person shall not be allowed to participate in that show or event.

(m) If a producer fails to comply with subdivision (j) or (k), the gun show or event shall not commence until those requirements are met.

(n) All producers shall have written contracts with all gun show vendors selling firearms at the show or event.

(o) The producer shall require that signs be posted in a readily visible location at each public entrance to the show containing, but not limited to, the following notices:

(1) This gun show follows all federal, state, and local firearms and weapons laws without exception.

(2) All firearms carried onto the premises by members of the public will be checked, cleared of any ammunition, secured in a manner that prevents them from being operated, and an identification tag or sticker will be attached to the firearm prior to the person being allowed admittance to the show.

(3) No member of the public under the age of 18 years shall be admitted to the show unless accompanied by a parent, grandparent, or legal guardian.

(4) All firearms transfers between private parties at the show shall be conducted through a licensed dealer in accordance with applicable state and federal laws.

(5) Persons possessing firearms on this facility must have in their immediate possession government-issued photo identification, and display it upon request to any security officer or any peace officer, as defined in Section 830.

(p) The show producer shall post, in a readily visible location at each entrance to the parking lot at the show, signage that states: "The transfer of firearms on the parking lot of this facility is a crime."

(q) It is the intent of the Legislature that the certificate of eligibility program established pursuant to this section be incorporated into the certificate of eligibility program established pursuant to Section 12071 to the maximum extent practicable.

12071.4. (a) This section shall be known, and may be cited as, the **Gun Show Enforcement and Security Act of 2000**.

(b) All gun show or event vendors shall certify in writing to the producer that they:

(1) Will not display, possess, or offer for sale any firearms, knives, or weapons for which possession or sale is prohibited.

(2) Acknowledge that they are responsible for knowing and complying with all applicable federal, state and local laws dealing with the possession and transfer of firearms.

(3) Will not engage in activities that incite or encourage hate crimes.

(4) Will process all transfers of firearms through licensed firearms dealers as required by state law.

(5) Will verify that all firearms in their possession at the show or event will be unloaded, and that the firearms will be secured in a manner that prevents them from being operated except for brief periods when the mechanical condition of a firearm is being demonstrated to a prospective buyer.

(6) Have complied with the requirements of subdivision (e).

(7) Will not display or possess black powder, or offer it for sale.

(c) All firearms transfers at the gun show or event shall be in accordance with applicable state and federal laws.

(d) Except for purposes of showing ammunition to a prospective buyer, ammunition at a gun show or event may be displayed only in closed original factory boxes or other closed containers.

(e) Prior to the commencement of a gun show or event, each vendor shall provide to the producer all of the following information relative to the vendor, the vendor's employees, and other persons, compensated or not, who will be working or otherwise providing services to the public at the vendor's display space if firearms manufactured after December 31, 1898, will be offered for sale:

(1) His or her complete name.

(2) His or her driver's license or state-issued identification card number.

(3) His or her date of birth. The producer shall keep the information at the show's or event's onsite headquarters for the duration of the show or event, and at the producer's regular place of business for two weeks after the conclusion of the show or event, and shall make the information available upon request any sworn peace officer for purposes of the officer's official law enforcement duties.

(f) Vendors and employees of vendors shall wear nametags indicating first and last name.

(g) No person at a gun show or event, other than security personnel or sworn peace officers, shall possess at the same time both a firearm and ammunition that is designed to be fired in the firearm. Vendors having those items at the show for sale or exhibition are exempt from this prohibition.

(h) No member of the public who is under the age of 18 years shall be admitted to, or be permitted to remain at, a gun show or event unless accompanied by a parent or legal guardian. Any member of the public who is under the age of 18 shall be accompanied by his or her parent, grandparent, or legal guardian while at the show or event.

(i) Persons other than show or event security personnel, sworn peace officers, or vendors, who bring firearms onto the gun show or event premises shall sign in ink the tag or sticker that is attached to the firearm prior to being allowed

admittance to the show or event, as provided for in subdivision (j).

(j) All firearms carried onto the premises of a gun show or event by members of the public shall be checked, cleared of any ammunition, secured in a manner that prevents them from being operated, and an identification tag or sticker shall be attached to the firearm, prior to the person being allowed admittance to the show. The identification tag or sticker shall state that all firearms transfers between private parties at the show or event shall be conducted through a licensed dealer in accordance with applicable state and federal laws. The person possessing the firearm shall complete the following information on the tag before it is attached to the firearm:

- (1) The gun owner's signature.
- (2) The gun owner's printed name.

(3) The identification number from the gun owner's government-issued photo identification.

(k) All persons possessing firearms at the gun show or event shall have in his or her immediate possession, government issued photo identification, and display it upon request, to any security officer, or any peace officer.

(l) Unless otherwise specified, a first violation of this section is an infraction. Any second or subsequent violation is a misdemeanor. Any person who commits an act which he or she knows to be a violation of this section is guilty of a misdemeanor for a first offense.

6.30 Motorized Racing Contracts

Formal regulations for Motorized Racing Contracts at District Agricultural Associations became effective on 8/22/02, and establish requirements for District Agricultural Association boards to:

- Set curfew times and maximum decibel noise limits for their motorized racing activities; and
- Establish penalty measures for a contractor who fails to comply with these restrictions.

A copy of the regulation language is on the next page of this Manual.

A. Instructions for District Agricultural Associations

Based upon these regulations, following are the procedures that District Agricultural Associations with motorized racing (which for the purposes of these regulations means oval track racing of motorized vehicles), must follow prior to entering into any new motorized racing contracts:

The Board must set local policy to:

1. Establish curfew time(s) for all types of motorized racing activities at the District Agricultural Association;
2. Establish maximum decibel noise limits per vehicle and procedures for monitoring decibel noise levels for all types of motorized racing activities at the District Agricultural Association;
3. Establish penalty measures for a contractor who fails to comply with these limit requirements; and
4. Develop any other contract terms or conditions that the board deems to be in the best interest of the District Agricultural Association when entering into a motorized racing contract.

A motorized racing contract must contain:

A copy of the terms, conditions, and penalty measures established by the Board, attached and incorporated into the contract.

B. Motorized Racing Contracts at County or Citrus Fruit Fairs

While F&E does not draft regulations governing county and citrus fruit fairs, it is recommended that these fair boards work with their county governments to prepare requirements in the areas of motorized racing.

District Agricultural Associations should contact their legal counsel at the Attorney General's Office with any legal questions that they have regarding establishing their motorized racing policies.

C. CEQA and Other Requirements

Note that these regulations and procedures do not cover any California Environmental Quality Act (CEQA) or related requirements that may also affect a District Agricultural Association's motorized racing program. Questions regarding CEQA requirements may be directed to California Construction Authority (CCA) at (916) 263-6100 or your fair's Legal Counsel.

TITLE 3, FOOD AND AGRICULTURE

Division 7-Fairs and Expositions

Chapter 2-Revenue Generating Contracts

Article 2-Motorized Racing Contracts

§7015 Requirements for Motorized Racing Contracts at District Agricultural Associations

(a) For the purposes of Article 2 of these regulations, the following terms shall have the meanings described below:

- (1) "Association" means District Agricultural Association.
- (2) "Motorized racing" means oval track racing of motorized vehicles.

(b) Prior to entering into any motorized racing contracts, an Association Board shall:

- (1) Establish curfew time(s) for all types of motorized racing activities at the Association;
- (2) Establish maximum decibel noise limits per vehicle and procedures for monitoring decibel noise levels for all types of motorized racing activities at the Association;
- (3) Establish penalty measures for a contractor who fails to comply with these limit requirements; and
- (4) Develop any other contract terms or conditions that the board deems to be in the best interest of the Association when entering into a motorized racing contract.

(c) The terms, conditions, and penalty measures set forth in §7015 (b) shall be included as part of any Association motorized racing contract.

NOTE: Authority cited: *Food and Agricultural Code §407.*

Reference: *Food and Agricultural Code §3965.1, §3965(d), and §4051(a).*

6.35 Security Contract with Public Entity Worksheet

(City, County)

Check off each item, as it is completed and/or added to the contract package.

- 1 - Std. 215, “Agreement Summary”** – Completed form. Include justification for multi-year contract, if applicable.
- 1 - Evidence of Insurance** - Insurance certificate or document from the public entity certifying self-insurance coverage.
- 1-Board Resolution or Delegation of Authority** - (if multi-year, submit Board Resolution, and include total number of years, and total dollar amount).
- 1-Board Resolution From the Public Entity**
- 3 - Std. 213 “Standard Agreement” Forms** - Submit 3 completed signed copies of the Std. 213 with all applicable items completed as required.
 - Completed Exhibit A Scope of Work (on Std. 213 itself or attached to each copy).
 - Copy of security work schedule if available
 - Completed Exhibit B Budget Detail and Payment Provisions (on Std. 213 or attached to each copy).
 - Unless contract is for a pre-set total dollar amount, payment provisions should include hourly rates, and a not-to-exceed clause that will cover the highest anticipated amount. (If the actual final contract amount goes over the not-to-exceed amount, an amendment to the contract is required).
 - Authorized signatures of contractor and DAA CEO on each copy of Std. 213.
 - Termination language added/changed if applicable.
 - Any changes made to documentation initialed by both parties.

6.40 Rental Agreement Year Round/Long Term

If a rental agreement (contract) exceeds a five year term, pre-approval from F&E must be requested in writing and approved in writing by F&E prior to execution of the contract. Such contract exceeding five years will only be approved under certain circumstances, such as major capital improvements to be made by the contractor etc.

There is not a legal requirement for rental agreement contracts (except for carnival contracts) to be bid. However, it is often in the best interest of the DAA to do so. DAAs are therefore strongly encouraged to bid. If a DAA does elect to use the bid process for such a contract opportunity, all normally required bidding procedures must be followed (see Chapter 2 of this manual).

A. Rental Agreement (Year Round/Long Term) Worksheet

Check off each item, as it is completed and/or added to the contract package.

- 1 - Std. 215, “Agreement Summary”** – Completed form Include justification for multi-year contract, if applicable. If the term exceeds five years, attach copy of DAA’s request and F&E’s approval of the term of the contract.
- Evidence of Insurance** - Insurance certificate or page showing CFSA master cert approval.
- 1 - Board Resolution or Delegation of Authority**
(if multi-year, submit Board Resolution, and include total number of years, and total dollar amount).
- 3 – F-31 “Rental Agreement Forms”**
 - Submit 3 completed signed copies of the F-31 with all applicable items completed as required.
 - Authorized signatures of contractor and DAA CEO on each copy of F-31.
 - If changing termination clause, add new clause and line out pre-printed clause on reverse of F-31. Both parties initial.
 - Any changes made to documentation initialed by both parties.

Attach and incorporate the following exhibits:

- Standard Contract Terms and Conditions, SCTC (F-31) or using new F-31 with SCTC added.
- CFSA Insurance Requirements Form

Bidding Documentation (If applicable):

- 1 – Copy of DAA’s RFP.
- 1 – Copy of to whom notification and/or bid package sent.
- 1 – Copy of each proposal received.
- 1 – Copy of all score sheets.
- Add the following statement to the contract:
“The DAA’s bid package dated _____, and the contractor’s bid, dated _____, are on file at the DAA and at the Division of Fairs and Expositions’ Office in Sacramento, and are incorporated herein by reference and made a part of this contract.”

6.45 Sponsorship Contracts

Food and Agricultural Code section 4051.1 authorizes District Agricultural Associations (DAAs) to enter into sponsorship agreements as well as to enter into agreements with entities or individuals to develop, solicit, sell, and service these agreements. The section also delegates authority to the DAA's to establish "procedures" for entering into these agreements.

A. General Sponsorship Contract Process for DAAs

With the exception of the contracts noted in Food and Agricultural Code section 4051.1 (b) as described later on this page, the following process applies:

- DAA Boards establish "procedures" for entering into sponsorship agreements.
- Each DAA's procedures for securing sponsorships and sponsorships coordinators must be approved by their Board and maintained on file at the DAA's Contract Office.
- The DAA then follows the sponsorship procedures set by their Board.
- **These procedures for sponsorship contracting, as well as the contracts themselves, are not subject to Contract Manual requirements or Division of Fairs and Expositions' approval. They are subject to the procedures established by the DAA.**

B. Proposed Sponsorships Subject to Food and Ag Code 4051.1(b)

This section applies to proposed sponsorship contracts that:

- Exceed \$100,000.00 in value, or
- Have a term of over two years, or
- Contemplate the building of a permanent structure on fair property.

Food and Agricultural Code section 4051.1 has been amended to add part (b), which reads:

"Written notification to the department shall be required prior to creating an entity for the activities described in this section and prior to entering into any agreement for activities described in this section if the agreement exceeds one hundred thousand dollars (\$100,000) in value, exists for a period of greater than two years, or contemplates the building of a permanent structure on fair property. The department may, upon reasonable notice, examine the books and records of any entity created pursuant to this section."

Following is the new procedure that DAAs must follow effective January 1, 2003 prior to entering into a sponsorship agreement if it meets any of the three criteria listed above.

1. Prepare a brief description in memo form of the proposed sponsorship contract, including the value, term, any permanent structures that may be built as a result of the sponsorship, and why it is in the best interest of the DAA and the State.
2. Send the memo via e-mail, mail, or fax to:

Division of Fairs and Expositions

Attn: Contracts Manager
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Phone: (916) 263-2961
Fax: (916) 263-2969
Email: dhillis@cdfa.ca.gov

3. F&E will review the proposed sponsorship to determine whether or not it appears to be in the best interest of the DAA and the State.
4. The Division will then share with the DAA for the DAA's consideration any comments or concerns that they may have. We will also notify the DAA in writing that our review has been completed, even if there are no comments or concerns.
5. The DAA must wait until notification of the Division's review is received prior to entering into the contract.

C. Sponsorships with Alcoholic Beverage Companies

DAAs should contact the Department of Alcoholic Beverage Control for guidance prior to considering any potential sponsorship contracts with alcoholic beverage companies. These contracts must not have any direct or indirect connection to contracts for actual sales of alcoholic beverages due to beverage pricing issues.

6.50 Vendor Contracts – Multi Year

Fairtime vendor (concession or commercial exhibit) contracts at DAAs may be for any period from one year (one fair season) up to five years (including five fair seasons). Regulations regarding vendor contracts were formally adopted in the California Code of Regulations and operative effective January 19, 2002. A copy of the regulations is on the next page of the Manual.

Please remember that in no way is a DAA obligated to award a vendor contract for more than one year. Nor, is a DAA obligated to award contracts to every vendor for the same duration. This will allow fairs to strengthen their strategic partnerships with the concession and commercial exhibitors who are an integral part of the fair experience.

Please review the following information and requirements resulting from the regulations for multi-year vendor contracts, to ensure that the board responsibilities, contract requirements and procedures outlined in these regulations are followed:

A. Definitions

- The definitions of the terms annual fair, calendar year, association, secondary fair event, and vendor as used in these regulations are contained in part (a) of the regulations. These should be reviewed prior to studying the contract and association board requirements that follow.

B. The Contract

- Vendor contracts at association fairgrounds for annual fairs and/or secondary fair events may be for a term of any period up to five calendar years.
- Vendor contracts prepared for a term of more than one calendar year shall be written for an initial one year term, and shall contain language indicating the following:
 - The contract will automatically be renewed annually up to the total term of the contract upon agreement of the vendor and satisfactory performance evaluation by the Association.
 - The Association reserves the right to adjust the financial terms, concession/exhibit location, and any other terms and conditions each year upon renewal of the contract.
 - The Association reserves the right to not renew the contract if legislative budget changes occur.

C. The Association Board

- Prior to entering into a vendor contract that exceeds one year, an Association board shall:
 - Establish performance measures for annual performance evaluation of vendors whose contract exceeds one year.
 - Develop termination clause language to be included in vendor contracts that exceed one year.
 - Develop any other contract terms or conditions that the board deems to be in the best interest of the Association when entering into vendor contracts that exceed one year.

TITLE 3, FOOD AND AGRICULTURE
Division 7 Fairs and Expositions
Chapter 2-Revenue Generating Contracts
Article 1-Vendor Contracts

§7010 Requirements for Vendor Contracts at District Agricultural Associations for Annual Fairs and Secondary Fair Events

- a. For the purposes of Article 1 of these regulations, the following terms shall have the meanings described below:
 - (1) Annual Fair is the primary annual fair event held at a District.
 - (2) Calendar Year means one year from the start date. For example, two Calendar Years starting June 5, 2001 would end June 4, 2003. The two Calendar Years would therefore include two Annual Fairs, even though 2001, 2002, and 2003 are included in the term.
 - (3) District means District Agricultural Association.
 - (4) Secondary Fair Event is an annual fair event produced by a District, other than the District's regular annual fair. Examples include, but are not limited to, a holiday fair or spring fair.
 - (5) Vendor means a concessionaire (food, beverage, novelty, or other) or commercial exhibitor who promotes and sells their product at an annual fair or Secondary Fair Event.
- b. Vendor contracts at Districts for Annual Fairs and/or Secondary Fair Events may be for a term of any period up to five Calendar Years.
 - (1) A vendor contract prepared for a term of more than one Calendar Year shall be written for an initial one year term, and shall contain language indicating that:
 - a. The contract will automatically be renewed annually up to the total term of the contract upon agreement of the vendor and satisfactory performance evaluation by the District.
 - b. The District reserves the right to adjust the financial terms, concession/exhibit location, and any other terms and conditions each year upon renewal of the contract.
 - (2) Prior to entering into a vendor contract that exceeds one year, a District board shall:
 - a. Establish performance measures for annual performance evaluation of vendors whose contract exceeds one year.
 - b. Develop termination clause language to be included in vendor contracts that exceed one year.
 - c. Develop any other contract terms or conditions that the board deems to be in the best interest of the District when entering into vendor contracts that exceed one year.

D. Vendor (Concessionaire or Commercial Exhibit) Fairtime Contract Worksheet

Check off each item, as it is completed and/or added to the contract package.

- 1 - Std. 215, “Agreement Summary”** – Completed form
- 1 – Insurance** - Insurance certificate or copy of page from CFSA’s Master Insurance List showing vendor’s insurance coverage that covers fairtime.
- 1 - Board Resolution or Delegation of Authority** - (If multi-year, submit Board Resolution, and include total possible number of years, and total dollar amount).
 - 3 – F-31 “Rental Agreement Forms”**
 - Submit 3 completed signed copies of the F-31 with all applicable items completed as required.
 - Authorized signatures of contractor and DAA CEO on each copy of F-31.
- Any changes made to documentation initialed by both parties.

Multi-Year Vendor Contract

- If multi-year contract then show initial term of one year and include the following provisions in the contract as required per the Vendor Regulations described on preceding Vendor Contracts page:
 - Termination clause language as developed by the Association board.
 - Statement that the contract will automatically be renewed annually up to the total term of the contract upon agreement of the vendor and satisfactory performance evaluation by the Association.
 - Statement that the Association reserves the right to adjust the financial terms, concession/exhibit location, and any other terms and conditions each year upon renewal of the contract.
 - Statement that the Association reserves the right to not renew the contract if legislative budget changes occur.
 - Description of established performance measures for annual performance evaluation of vendors whose contract exceeds one year.
 - Any other contract terms or conditions that the board has deemed to be in the best interest of the Association when entering into vendor contracts that exceed one year.

Attach and incorporate the following exhibits to each copy of Rental Agreement:

- CFSA Insurance Requirements Form.
- Product List if Applicable.
- Standard Contract Terms and Conditions, SCTC (F-31) or using new F-31 with SCTC added.
- General Vendor Rules and Regulations as applicable.

NOTE:

- A copy of Association board's established Vendor Contract procedures as required by the regulation must be kept in the vendor contract files for audit purposes.



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

August 30, 2019

D2019-03

TO: All District Agricultural Association CEOs

SUBJECT: Fairtime and Interim Event Rental Agreement

The Fairs and Expositions Branch (F&E) is pleased to announce that the F-31 "Fairtime and Interim Event Rental Agreement" (F-31 template) has been revised. The F-31 template has been updated to a larger font to meet Americans with Disabilities Act (ADA) accessibility standards and includes additions and revisions to items 2, 4, 6, 8, 12, 19, 21 and 26.

Per [Assembly Bill 2490](#), District Agricultural Associations (DAAs) may contract in accordance with Board developed and approved written policies; it is recommended that DAAs adopt the F-31 template as a fair-time or short-term interim event rental template, excluding carnival agreements. The revised F-31 template is legally sufficient for 2-3 day events.

The California Fair Services Authority (CDSA) announced in their August 2019 newsletter that Insurance Requirements have been revised and that all General Liability pool members are required to attach to all rental and services contracts. The revised insurance language should be included as Exhibit B with the enclosed F-31 agreement. Enclosed is Exhibit C, Event and Event Rental Contract Terms and Conditions, and Exhibit D, Fairtime/Commercial Exhibitors and Concessionaires Contract Terms and Conditions, to be included with the F-31 agreement template as needed.

If you have any questions, please contact Kalia Mitchell at (916) 900-5274 or at Kalia.Mitchell@cdfa.ca.gov.

Sincerely,

John Quiroz
Branch Chief

Enclosure



**FAIRTIME AND INTERIM EVENT
RENTAL AGREEMENT**

THIS RENTAL AGREEMENT ("Agreement") is by and between the _____ District Agricultural Association, ("Association"), commonly known as the _____ ("Fairgrounds"), and _____ ("Renter"). Association and Renter may be collectively referred to as the "Parties."

1. Association hereby grants to the Renter the right to occupy the space(s) known as _____, as depicted in Exhibit A, located on the Fairgrounds at _____, California _____ ("Premises") for the purposes hereinafter set forth and subject to the terms and conditions of this Agreement.
2. The term of this Agreement begins on _____ and ends on _____. Renter shall guarantee the payment of any damage to Association property, removal of all property and the leaving of the Premises in the same condition in which Renter took possession.
3. The purposes of occupancy shall be limited to _____

and shall be for no other purpose whatsoever.
4. Renter shall pay Association the amount of \$ _____.00, which is due _____. Payments should be made by _____.

Upon execution of this Agreement, Renter shall pay the Association a deposit in the amount of \$ _____.00. The Association may retain from the deposit any amount necessary to remedy Renter defaults in the payment of rent, repair of damage to the Premises caused by Renter, or to clean the Premises upon Renter move-out if not left in the same condition in which Renter took possession. The deposit amount or balance, if any, and an itemized list of any deductions shall be returned to Renter no later than thirty (30) days. [Insert any specific cancellation policy regarding the return of the deposit.]

5. Renter shall pay the following services and fees: _____

6. Renter acknowledges that the Association's Fairgrounds may be required at any time, with limited advance notice, for the purpose of responding to an emergency declared by local, state, and/or federal governments. Association shall not be liable for any interference of Renter's use or possession of the Premises or loss to or expenses incurred by the Renter or its subcontractors or patrons that may result from such emergency use of the Premises.
7. Association shall have the right to audit and monitor any and all sales as well as access to the premises.

8. Renter shall defend, indemnify and save harmless Association and the State of California, their officers, agents, servants and employees from any and all claims, causes of action and suits accruing or resulting from any damage, injury or loss to any person or persons, including all persons to whom the Renter may be liable under any worker's compensation law and Renter him/herself and from any loss, damage, cause of action, claims or suits for damages, including but not limited to loss of property, goods, wares or merchandise, caused by, arising out of or in any way connected with the exercise by Renter of the privileges herein granted.
9. Renter further agrees to not sell, exchange or barter, or permit its employees to sell, exchange or barter, any licenses or permits issued to Renter or its employees.
10. No Renter will be allowed to open until all the preliminary requirements herein set forth have been complied with.
11. Renter will conduct business in a quiet and orderly manner; will deposit all rubbish, slop, garbage, tin cans, paper, etc., in receptacles provided by the Association within Premises for such purpose and will keep the area within and surrounding Premises free from all rubbish and debris.
12. All temporary tents or enclosures erected by Renter shall have the prior written approval of Association and local fire suppression authorities. Renter shall not affix any fixtures to the Premises without the written preapproval of the Association and if the removal of the fixture may be affected without injury to the Premises.
13. Upon request, Renter will furnish Association with a list of all sales prices and other charges of any kind whatsoever to be charged by the Renter. If Renter is an eating concession and not restricted to specific items, Renter shall submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation. Upon request, Renter must furnish to Association receipts for license fees, tax deposits, insurance, etc., prior to event.
14. Renter will conduct the privileges granted in this Agreement according to all the rules and requirements of applicable state and local health authorities, and without infringement upon the right and privileges of others; will not handle or sell any commodities or transact any business whatsoever for which an exclusive privilege is sold by Association, nor engage in any other business whatsoever upon or within Premises or Fairgrounds, except that which is herein expressly stipulated and contracted for; will confine said transactions to the Premises and privileges provided in this Agreement, and that any and all exclusives granted Renter shall not include the carnival and the carnival area.
15. Renter will post in a conspicuous manner at the front entrance to the concessions, a sign showing the prices to be charged for all articles offered for sale to the public. The size of said sign, manner and place of posting shall be pre-approved by Association.
16. Association will furnish necessary janitor service for all aisles, streets, roads and areas used by the public, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly

arranged and clean. All concessions must be clean, all coverings removed, and the concessions ready for business each day at least one hour before the Association is open to the public. Receptacles will be provided at several locations to receive Renter's trash, and such trash must not be swept into the aisles or streets or any public areas.

17. All sound-producing devices used by Renter within the Premises must be of such a nature and must be so operated as not to cause annoyance or inconvenience to patrons or to other concessionaires or exhibitors. The decision of Association as to the desirability of any such sound-producing device shall be final and conclusive. Sound-amplification equipment may be installed only by first obtaining written permission from Association.
18. Renter agrees that there will be no games, gambling or any other activities in which money is used as a prize or premium, and that Renter shall not buy and/or permit "buy backs" for cash, any prizes or premiums given away to patrons. Only straight merchandising methods shall be used and all methods of operations, demonstration and sale, shall be subject to the approval of the Association and the local law enforcement officials.
19. Renter is entirely responsible for the Premises and agrees to reimburse Association for any damage to the real property, equipment, or grounds used in connection with the Premises, reasonable wear and tear excepted. Renter agrees to inspect the conditions of the Premises and of all property it will use on the Premises, including but not limited to equipment, furniture or other personal property owned by Association, and to be entirely responsible for the use of the Premises and such property.
20. Association may provide watchman service, which will provide for reasonable protection of the property of Renters, but Association shall not be responsible for loss or damage to the property of Renter.
21. Each and every article and all boxes, crates, packing material, and debris of whatsoever nature must be removed from the Premises by Renter, at Renter's own expense, upon expiration or earlier termination of this Agreement.
22. No Renter will be permitted to sell or dispose of anywhere on the Fairgrounds alcoholic beverages as defined in the Alcoholic Beverage Control Act unless Association authorizes Renter in writing and unless Renter holds a lawful license authorizing such sales on the Premises.
23. All safety orders of the Division of Industrial Safety, Department of Industrial relations must be strictly observed.
24. Failure of Association to insist in any one or more instances upon the observance and/or performance of any of the terms and conditions of this Agreement shall not constitute a waiver of any subsequent breach of any such term and condition.

25. This Agreement shall be subject to termination by either party at any time prior to or during the term hereof by giving the other party notice in writing at least 30 days prior to the date when such termination shall become effective. Such termination shall relieve the Association of any further performances of the terms of this agreement.
26. The Association shall have the privilege of inspecting the Premises covered by this agreement at any time or all times. Association shall have the right to retain a key to the Premises and may enter with at least 24-hour written notice to Renter.
27. Renter recognizes and understands that this rental may create a possessory interest subject to property taxation and that Renter may be subject to the payment of property taxes levied on such interest.
28. The Parties hereto agree that Renter, and any agents and employees of Renter, in the performance of this agreement, shall act in an independent capacity and not as officers or employees or agents of Association.
29. Time is of the essence of each and all the provisions of this agreement, and the provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.
30. It is mutually agreed that this Agreement or the privileges granted herein, or any part thereof, cannot be assigned or otherwise transferred without the written consent of Association. Subleasing of the Premises is prohibited.
31. It is mutually understood and agreed that no alteration or variation of the terms of this contract shall be valid, unless made in writing and signed by the parties, hereto, and that no oral understandings or agreements not incorporated herein and no alterations or variations of the terms hereof, unless made in writing and signed by the parties hereto, shall be binding upon any of the Parties.
32. In the event Renter fails to comply in any respect with the terms of this Agreement and its Exhibits referred to herein, all payments under this Agreement shall be deemed earned and non-refundable by Association, and Association shall have the right to occupy the Premises in any manner deemed for the best interest of Association.
33. Renter shall abide by the additional terms and conditions indicated in the following Exhibits, attached to this Agreement and incorporated by these references:

Map of Fairgrounds Depicting Premises _____
California Fair Services Authority Insurance Requirements _____

Exhibit A _____
Exhibit B _____
Exhibit _____
Exhibit _____
Exhibit _____

AGREEMENT NO. _____

DATE _____

Page 5 of 5

34. This Agreement is not binding upon Association until it has been signed by its authorized representative.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures on the date shown below. The signatories represent and warrant that they were duly authorized by their respective governing bodies to execute this Agreement and the Parties hereby agree to all the terms and conditions set forth in this Agreement.

INDIVIDUAL NAME

BUSINESS NAME

Address

City, State Zip

Phone

Email

Signature

Title

Date

_____ DISTRICT AGRICULTURAL ASSOCIATION
_____ FAIRGROUNDS

Address

City, CA Zip

Phone

Email

Signature

Title

Date

EXHIBIT C
EVENT & EVENT RENTAL CONTRACT TERMS AND CONDITIONS
(FOR EVENTS THAT REQUIRE SECURITY ONLY)

1. Renter shall provide licensed and bonded security during the event at a ratio of one guard per _____ attendees.

EXHIBIT D
FAIRTIME/ COMMERCIAL EXHIBITORS & CONCESSIONAIRES
CONTRACT TERMS AND CONDITIONS

1. Association shall have the right to audit and monitor any and all sales as well as access to the premises.
2. Upon request, Renter will furnish Association with a list of all sales prices and other charges of any kind whatsoever to be charged by the Renter. If Renter is an eating concession and not restricted to specific items, Renter shall submit menus and prices to Association for approval at least twelve (12) hours in advance of each day's operation. Upon request, Renter must furnish to Association receipts for license fees, tax deposits, insurance, etc., prior to the event.
3. Renter will post in a conspicuous manner at the front entrance to the concessions, a sign showing the prices to be charged for all articles offered for sale to the public. The size of said sign, manner and place of posting shall be pre-approved by Association.
4. Association will furnish necessary janitor service for all aisles, streets, road, and areas used by the public, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly arranged and clean. All concessions must be clean, all coverings removed, and the concessions ready for business each day at least one hour before the Association is open to the public. Receptacles will be provided at several locations to receive Renter's trash, and such trash must not be swept into the aisles or streets or any public areas.
5. Renter agrees that there will be no games, gambling or any other activities in which money is used as a prize or premium and that Renter shall not buy and/or permit "buy backs" for cash, any prizes or premiums given away to patrons. Only straight merchandising methods shall be used and all methods of operations, demonstration, and sale shall be subject to the approval of the Association and the local law enforcement officials.

From: Anna-Lisa Larson
Sent: Wednesday, June 26, 2024 11:31 PM
To: tbilezikjian@ocfairboard.com; npham@ocfairboard.com; nkovacevich@ocfairboard.com; rruiz@ocfairboard.com; bbagneris@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; OCF Executive
Cc:
Subject: Equestrian Center Eviction Notices

To the OC Fair Board Members:

I wanted to write to you about my complete dismay that, on the day of the horse show at the OC Fairgrounds on June 15th, EVICTION NOTICES were pinned to the horse stalls. This was a big day for my younger daughter...her first opportunity to show. She was absolutely devastated that the show she had trained for and looked forward to was eclipsed with the terrible news that the barn and horses she loved were being kicked out of the Equestrian Center. My older daughter was equally upset...she, too, competed in the show and was stunned by the callous delivery of eviction notices on what was meant to be an exciting day. Their grandparents drove over from Arizona to watch them ride; unfortunately, they also saw their granddaughters cry over this gut-wrenching news.

I feel personally devastated because the Equestrian Center was the only local affordable option for our family; working with and riding horses has been an absolute lifeline to the mental health of our anxious/neurodiverse daughters. I am at a complete loss as to what we will do going forward.

Sincerely,

Anna-Lisa Larson

P.S. I cannot emphasize enough that the Equestrian Center at the OC Fairgrounds is a public facility that made horseback riding an accessible option for our family and many others. We don't utilize other public facilities, like the skate park or dog park across the street, because we don't skate or have a dog, but we support those facilities nonetheless. The Equestrian Center, much like the dog park and skate park, has brought together a community of our OC neighbors. The loss of that community through the actions of your Board adds a deeper layer of pain that transcends even beyond the sadness my daughters felt when the eviction notices were tacked onto the horses' stalls.

From: lisa sabo
Sent: Wednesday, June 26, 2024 8:11 PM
To: 'Tanya Bilezikjian'; Robert Ruiz; Nick Kovacevich; Barbara Bagneris; Dimetria Jackson; Doug LaBelle; Newton Pham; Natalie Rubalcava-Garcia; Michele Richards
Subject: Equestrian Contract

Hello OC Fair Board Members and CEO Michele Richards,

Thank You for reading my letter. I had been struggling with this contract for weeks. Every night I would convince myself to just sign it, then I would read it and realize I could not live by the contract as it is currently written. In the past, I have usually signed contracts from the OC Fair and Event Center. I normally just go with the flow. However, with the strange and in some case dangerous requirements in this contract I realized I could not sign this iteration.

As requested by you here are examples of areas that are not acceptable.

Page 1 #3, #6, Exhibit A #23

The contract says, there is a 50% deposit, whereas, there has not been a deposit in the past. It's not the deposit per-se I am concerned with; it is the language in the contract which opens the door for the entire deposit to be taken to repair items that are not or should not be my responsibility. It's standard practice, that the barn owner repairs damages to infrastructure as a cost of doing business, not the renter. In the Contract Section #3 it states: "Renter shall guarantee the payment of any damage". And in #6 "repair any damage". And in #23 The "tenant is responsible for repairs". Of course, common sense dictates that with normal repairs to the stables having been deferred for years, I could potentially be responsible for thousands of dollars of repairs that should not be my responsibility.

I do not mind paying a deposit on my rent payments. I pay my rent on time and have never been late. However, this new contract allows the deposit to be used to recover costs of deferred maintenance and repairs that the Equestrian Center has needed for years. The prior operator maintained the stalls (including waterers), buildings, footing and fencing. But when Fair staff took over management repairs were neglected and maintenance further deferred. It takes a long time to get repairs to happen. Additionally, there is no baseline for the condition of the stalls. There is no consensus of which entity is responsible for repairs and normal wear and tear. For example, if a waterer breaks in the stall who fixes it, who pays? Many of the waterers are 20 years old. They work well and are still useful. BUT they do and will break, regularly. Is that my responsibility? The staff says "YES". If I am renting an apartment and the sink breaks, the owner of the apartment fixes the sink. Asking for a 50% deposit, with the current facility's maintenance issues, is over-reaching. With my school horse program, it would be \$10,000 a month. I asked Michele if this could be negotiated, and she said "NO". Imagine what could legally happen depending on "interpretation" of the contract. Potentially, I could have to pay monthly rental and then based on needed repair, forced to pay my entire deposit, monthly, to cover these additional costs. So, as I see it, I am expected to pay the monthly rent increase AND an extra fee for to cover repairs that are not my responsibility; potentially this could be my entire deposit?? Good contracts should be designed to lower such ambiguities, not increase them. Contracts should be fair to all parties it is drafted with another purpose in mind.

Exhibit A #2 – The contract states “customary rates and charges”. “Customary rates” should reflect industry standard rates. I am ok with the price increase on June 15th because of inflation. I am not ok with the increase in rates on October 1 and January 1. That would put us far beyond industry standard. I already have 3 training clients moving out this month, because they found better facilities in San Juan, with more amenities at a lower cost. Why should we have to pay for the outrageous Lopez contract the Fair staff entered? I have heard staff’s justifications but to any reasonable listener it is clear their arguments are baseless, not to mention disingenuous. There are many facilities similar to ours on public property that have competitive prices and are fiscally solvent.

#7 Contract says, OCFEC may, at its discretion change these General Rules and Regulations from time to time. Needs to be changed to “with proper notice”.

#11 Contract says, “Never talk on the phone or text while mounted or driving a horse.” I am on a horse 5 to 6 hours a day. I would break this rule in the first hour. I use my phone to communicate with clients. I cannot afford to pay someone to stand ring side and communicate.

#12 Arena Rules

f. The contract says, “Availability of arenas will be based off OCFEC’S public program needs. Notification regarding arena availability and/or closures will be communicated to renters”. We are excited about the public programing, BUT we need to know, how much notification? For example, CEO Michele Richards has said the renters will only be able to use arena #1 when programing is happening. That would close most of my programs, some of which are free public programs, because the beginners and people with disabilities cannot safely ride in arena #1. I need small arenas and round pens. We are asking for a 30-day notice and more spaces available.

#13 Tack Room Rules

c. Contract says, “No modifications of any kind can be done without the expressed written consent of the OCFEC.” What about existing modifications?

OCFEC AGREES: Inadequate Description. I would like a map of the property showing needed improvements, delineating which are NOT my responsibility and an agreed upon list of what IS my responsibility. What if I signed this contract, struggled to put down the \$10,000 for deposit and suddenly they make the Equestrian Center smaller, take away the grass, have busloads of kids and animals coming in so I cannot teach or ride. And, begin charging me for repairs. I feel this contract is massively one sided and being forced on us.

Exhibit W

These price increases are a failure to negotiate industry standard contracts, lack of experience, mismanagement and overstaffing. It is fiscal irresponsibility. These prices make us the highest price stable in OC and the facility lacks the amenities of the other stables.

For example, why are we paying for so much office staff? CEO Michele Richards in our “one-on- One, behind closed doors” meeting, said we pay for Theresa and her assistants. Twice in the last 6 months, when I walk into the office I asked, “What are you working on?” They respond, “Centennial Farm stuff.” That is great, we love Centennial Farm but why am I paying for that? (Do not get me wrong I like Theresa and her staff, but we do not need all of them). This type of bureaucracy reduces the operational efficiency of the stables and inflates costs which management just passes on to each horse owner. A stable in San Juan runs 360 horses has 1 full time and 1 part time office staff. Currently, one of the staff members walks around with a clip board all day.

Facility Use Fee: \$400. This is not industry standard. Again, this is a ridiculous fee tacked on to balance an inappropriate budget. In San Juan they give trainers a 10% discount on everything, because they know trainers raise the quality and safety of the facility. Boarding stables make a profit, they give discounts to the trainers, and they will soon be having a waiting list of boarders.

Storage Containers: You saw the picture of the small shelf from the last board meeting. The contract says I will have to pay to have \$28/month for that small shelf at the end of the barn aisle. This is “Junk Fees”. Read Biden/Harris Junk Fees Bill. Please get rid of this Storage Container Junk Fee.

Other concerns from my One-on-One with CEO Michele Richards:

1. **Bringing in buses for children.** This will create a dangerous situation for the children taking classes or riding at the Equestrian Center. My suggestion was to use the covered livestock arena to the west of the Equestrian Center. We could easily bring horses over for demonstrations and talks. It is the perfect venue for that type of activity. There is not an experienced equestrian on the planet who would think having groups of kids coming into a working equestrian center would be a good idea. These are foundational safety issues that should not be compromised. However, coming into a demonstration area separated from the sight of the working horses would easily work. Solutions can be found provided one has a solid knowledge of the horse.
2. **Bringing in Farm Animals.** None of my horses have been around farm animals. This would be normal for a typical competition horse. Of course, horses trained to work with cattle would be different. But an experienced equestrian knows you can't mix the two. Cow horses are raised around cattle. Competition horses are petrified of cattle or any other type of animal. Goats, pigs, sheep are problematic. Charlotte's Web was a story book, but not reality. My horses and certainly most horses would be scared out of their minds with farm animals in sight. Horses are prey animals that survive by the instinct of flight. Once they are adult horses getting over such fears is difficult. Horses are fearful and react to moving animals and groups of people. Someone will get seriously hurt.

Safety is my #1 concern.

Please help us keep this an EQUESTRIAN CENTER with horses.

I am ok with the June 15th price increase and would really like to pay my bill. I am going to walk into the office today and try to pay. I am not OK with the Trainer Fee and Junk Fees and having to potentially cover repairs that are not my responsibility.

The Fairgrounds Equestrian Center, managed by staff, loses money, bloats the bills to the trainers, charges the most for the least quality facility and tacks on fees for everything possible rather than admitting they are in over their heads. They are pretending they know about horses and how to run an equestrian center. They refuse to use the experts that have offered to help guide them out of the hole they have created. Well, upon re-reading that sentence I can see why so many people feel the “real” agenda is to eliminate the Equestrian Center... Perhaps the Staff and particularly the State legal counsel should be instructed to focus exclusively on developing a well-crafted, legal process to get a professional equestrian operator running on the site and have the amateurs step out of the way.

The Equestrian Center would thrive, be profitable and be quietly running in the background, off the Fair Board's agenda.

Thank you for listening,
Respectfully,
Lisa Sabo

From: Gretchen Sheppard
Sent: Thursday, June 27, 2024 1:08 PM
To: tbilezikjian@ocfairboard.com; npham@ocfairboard.com; nkovacevich@ocfairboard.com; rruiz@ocfairboard.com; bbagneris@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; OCF Executive
Subject: Fwd: OC Fair & Event Center Equestrian Center 30 Day Notice to Quit notice Delivery

>
> Michele Richards
> 32nd District Agricultural Association Ranch Community Center
>
> My name is Gretchen Sheppard, and I was served a 30-Day Notice to quit during (right in the middle of) the Victory at the Fair Horse Show. I currently rent stall M-18 and have kept quiet for the most part during the discussions regarding the equestrian property- but after the embarrassment and humiliation I was forced to feel during the kids horse show- I have to make my voice heard now. What happened on Saturday was absolutely uncalled for and disgusting. These kids have been training very hard and the barn at the fairgrounds has been a safe space for them until now. The delivery of these notices came at a time where focus should have been on the course in the arena, but instead, the participants couldn't help but notice the look on the faces of the parents and trainers that were served right at the gate of the arena! Are you kidding me?
>
> While enjoying the show with my family and friends, we were approached by a man and woman taping envelopes to each stall- right in the middle of classes, which caused immediate confusion, embarrassment, and anger. My attention was taken off the show because of the absolute lack of empathy and respect these staff members taping the notices had to the borders and their horses and the kids and adults participating in the show.
>
> I know this will be disregarded, along with everything voiced up until now, but I just wanted you to know that you can't go around with a good conscience when you are choosing to serve eviction notices right in the middle of a family event. Poor choice again, disappointing but predictable coming from a company that thought this whole "repurposing plan FOR the community" was a good idea.
>
> I am available anytime for any questions you may want to discuss. My personal cell is listed below.
>
> Gretchen Sheppard
> [REDACTED]
>
>

From: Regina Mundekis
Sent: Friday, June 28, 2024 7:07 AM
To: tbilezikjian@ocfairboard.com; Robert Ruiz; nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; Michele Richards
Subject: Favoring Equestrian Boarders Must Immediately Stop

Dear Board and CEO,

During the June Board meeting, an announcement was made that the Board would require the rebid of the LWI contract at the behest of equestrian boarders and work to find subsidies for the equestrian boarders. Staff have been pressured to negotiate contract terms with equestrian boarders to reach contract terms which are mutually agreeable with the equestrian boarders and which may not include all the contract terms needed for State contracts or deemed necessary by staff. All of these actions are contrary to how State business is conducted, how our Fairgrounds is managed, and creates financial and legal jeopardy for our Fairgrounds.

There has been an unending series of meetings both in groups and individually with staff to meet the needs of equestrian boarders. These meetings have eaten up days if not weeks of staff time without equestrian boarders ending their complaints.

The EQC has been run as a defacto private riding club for decades where equestrian boarders did what they wanted to do how they wanted to do it. The EQC was public property but the public and staff could not do anything at the EQC unless the equestrian boarders gave permission to do it. Anyone attempting to do something which the equestrian boarders did not want done would be set upon and bullied. The only way to make the equestrian boarders happy is for the public to cede the EQC to them, subsidize the equestrian boarders, and for staff and the public to do as they are told to do by the equestrian boarders. *This is not acceptable.*

The Facilities Committee has overstepped their authority to become negotiators for equestrian boarders instead of sticking to the subject of dealing with infrastructure issues at the EQC. The Facilities Committee may have made commitments to the equestrian boarders which are outside their authority. The Board, led by the Facilities Committee, is now favoring equestrian boarders over all other boarders by rebidding contracts, bending over backwards with contracts and meetings, and allowing equestrian boarders to run the EQC as their private fiefdom. The Board has bent to the bullies and now requires the staff to also bend to the bullies.

The Board has now created legal and financial jeopardy the our Fairgrounds with favoritism of equestrian boarders. There may be other issues of favoritism which are not public at this time but which also need to be ended, If you need me to explain this in a different way, please let me know. Examples of actions leading to legal and financial jeopardy include but are not limited to:

Any renter for any reason can now ask for any service contract to be rebid for any reason including the cost because the LWI contract is being rebid at the behest of equestrian boarders. This means the highly litigious gun show can force rebid of contracts to lower their costs. The term "highly litigious" means they will take our Fairgrounds to court and have the money to keep litigating until they win.

Allowing equestrian boarders to dictate contract terms allows any renter to dictate their own contract terms with staff forced to accept them under pressure/threat from Board members. Standard contracts are used with standard terms with minimal negotiation over dates and resources used to allow all renters to be treated the same. This is done

to be fair and non-discriminatory to renters. Deviating from this model creates legal problems. See prior statements about the gun show.

Eviction notices given to the equestrian boarders were legal and necessary to protect the interests of our Fairgrounds. Allowing any renter to hold over without a contract allows any other renter to do same. The stance that equestrian boarders should not have left when their contracts ended places the rental model of shows come and go in jeopardy in addition to allowing occupancy without a valid contract. For example, now the gun show could decide to not pack up and leave at the end of the weekend but declares they are now using the space year round and fight a notice of eviction because of how the equestrian boarders were handled. If you let the equestrian boarders hold over after their contract ends, you need to let the gun show do the same.

Equestrian boarders claims that favoritism required for small and women owned businesses do not apply. Repeated loud claims have been made that the Fairgrounds must favor equestrian boarders because they are women with small businesses. This is incorrect and false. This is a misstatement and misapplication of criteria used to award contracts during a competitive bidding process where bids are scored with points. Points can be awarded for certain classes of bidders including small and women owned businesses. Equestrian boarders are renters and have not bid on Fairgrounds contract. This argument is specious and plays no role in this matter.

Favoring equestrian boarders must stop. If equestrian boarders want to use Fairgrounds facilities, they follow Fairgrounds rules, pay Fairgrounds rates, and sign Fairgrounds contracts just like any other renter. If equestrian boarders do not want to do this, they can leave just like any other renter. Equestrian boarders have no inherent right to use the Fairgrounds. There is no "squatters rights." It is not the problem of the Fairgrounds that there is less equestrian boarding space in our County than years ago or that empty stalls are located more than a 10 minute drive from Lido Isle. **This is not our problem. You bought a horse or a dozen horses and you figure it out.**

A reset back to normal operations between Board, Facilities Committee, staff, and equestrian boarders is accomplished when the Board and specifically the Facilities Committee stops intervening in operational decisions made by staff regarding equestrian boarders in addition to ceasing any and all actions which favor equestrian boarders over other renters or may be interpreted to do so. The Board can then turn their attention to creating public programming at The Ranch in addition to other legitimate Board work.

If you want to get a hold of me, Michele has my phone number.

Thanks,

Reggie Mundekis

From: Claudia Berglund
Sent: Monday, July 1, 2024 4:58 PM
To: Teresa Dayton; Evy Young; OCF Executive
Cc: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com
Subject: Adjustments to the Victory At The Fair invoice

All-

Following the show on Sunday I showed a preliminary version of this analysis to Teresa. I have now completed it to reflect the adverse effects of the very public eviction process that took place Saturday during my show. It should be obvious that the show should not pay for an Event Coordinator who spent a significant portion of Saturday coordinating the eviction activity, nor should the show pay for a Security guard to accompany the delivery of the notices.

In my experience it is rare that no additional horse or class adds happened after early Saturday afternoon, and I did not attempt to estimate that adverse impact. However four previously entered horses were withdrawn from the show late on Saturday afternoon, which appears to me to be a direct result of the chaos.

The following is my analysis, and calculation of the sizable refund owed to me:

OCFEC Bill

Orange Arena	700	2	1,400.00
Box stalls	100	4	400.00
Tack room	50	1	50.00
extra shavings	12	2	24.00
Parking buyout			120.00
Event coordinator			1,090.00
Security			1,596.00

4,680.00

Paid	deposit	800.00
	4758	2,863.00
	4759	2,863.00

6,526.00

Overpayment, preliminary	(1,846.00)
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Adjustments:

Event coordinator Saturday	(545.00)
Security 1 person Saturday, estimate	(399.00)

Horses that withdrew following the
eviction incident:

#836	(479.80)
#838	(546.80)
#837	(516.80)
#835	(181.00)

Refund due Victory Horse Shows LLC	(4,514.40)
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From: carolynbeaver
Sent: Friday, July 12, 2024 4:14 PM
To: OCF Equestrian
Cc: Michele Richards; Michele Capps; nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; [REDACTED]
Subject: RE: Letter from 32nd DAA re: your expired EQC Rental Agreement

Dear Michele and team at the OC Fair Equestrian Center,
I would like to meet with you to discuss revisions to the contract language which you have provided and are demanding that boarders sign without change. Some of the provisions are unconscionable, and subject me and other boarders to unknown liabilities for deferred maintenance, as one example. When we met on May 25, Michele, I mentioned my concern about requiring deposits for boarders like myself who have demonstrated payment histories. Furthermore, the Equestrian Center is authorized to charge my credit card at the beginning of each month, therefore there is minimal risk of nonpayment. The deposit provision is new and is unnecessary, particularly the way it is worded.

I would much prefer to have a discussion about terms rather than have the OCFEC initiate litigation. I just want reasonable terms for stall rental and facility use, and to be treated as a tenant, aka lessee, and not a fair vendor or carnival operator. Please let me know when you are available to discuss.

I previously communicated my concerns about certain aspects of the contract language in my letter to the Board dated May 19, 2024.

Best regards,
Carolyn Beaver

From: OCF Equestrian <Equestrian@ocfair.com>
Sent: Wednesday, July 10, 2024 3:38 PM
To: 'Carolyn Beaver' [REDACTED]
Cc: OCF Equestrian <Equestrian@ocfair.com>; Michele Richards <MRichards@ocfair.com>; Michele Capps <mcapps@ocfair.com>; nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com
Subject: Letter from 32nd DAA re: your expired EQC Rental Agreement

Hi Carolyn,

Please see attached letter from the Equestrian Center. Please contact us if you have any questions.

Best regards,
OC Fair Equestrian Center
(714) 708-1652

From: macki hamblin
Sent: Monday, August 5, 2024 6:50 AM
To: Michele Richards; OCF Equestrian; Teresa Dayton; bbagneris@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; nkovacevich@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; tbilezikjian@ocfairboard.com
Subject: June, July, August Board

Good morning,

I just wanted to confirm that my payments for June and July (which have remained uncharged on my account) are now available in an escrow account. I have also added my August payment into this account in a show of good faith that all board owed to the OCF is available. Though my payment attempts have been rejected I am still very hopeful that we can sit down and negotiate an equitable board agreement for the health and safety of all.

It is very unclear to me why the arenas are locked and horses are being barred from proper exercise. You may be unaware, but this is a form of animal abuse. I do not understand why these aggressive and harmful steps are being chosen over a peaceful resolution. I have seen fair contracts marked up and signed months after their due date. Contracts in all types of business are negotiated all of the time.

Let us come together, rather than be divided by a lack of communication.

Thank you,

Macki Hamblin

[REDACTED]

Connected Equine

Carolyn Beaver



August 6, 2024

VIA E-Mail

Ms. Michele Richards, CEO
Orange County Fairgrounds & Event Center
88 Fair Drive
Costa Mesa, CA 92626

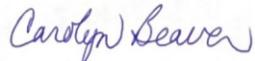
Dear Michele:

You have now prevented horses boarded at the Equestrian Center operated by the Orange County Fairgrounds from receiving adequate exercise for 6 days. As you know, you instructed staff to lock all facilities normally available for exercise due to the lack of signed boarding contracts from a majority of boarders. While we are allowed to walk our horses on the hard surfaces surrounding the arenas, that is not sufficient exercise for large animals, who require the ability to also trot and canter daily on surfaces with adequate footing to get sufficient exercise. These actions have resulted in a rider hitting her head on a pole today, and another has fallen off. How many more “accidents” will it take before you recognize the safety issues you are creating?

We have sent you information from a veterinarian, Dr. Fertig, and the statement from Supervisor Katrina Foley warning you to not endanger the horses’ welfare during this time that we have requested meetings to discuss our concerns. Assembly Member Diane Dixon has also issued a statement urging the parties to meet and negotiate a balanced agreement. Regardless of our respective positions, you must stop actions that penalize defenseless animals. Please open the arenas NOW while the parties work to resolve their differences.

As stated by many of the boarders, we would like to schedule a meeting with you to discuss our valid concerns with the contract you have presented for us to sign. We would be happy to meet this week, or next Monday August 12. Alternatively, we can wait until after the Fair is over, as long as we are able to properly exercise and care for our horses.

Sincerely,



Carolyn Beaver
Equestrian, CPA (inactive) and independent board director

cc: Board of Directors
The Equestrian Center Task Force

From: Aileen Anderson
Sent: Wednesday, August 7, 2024 12:41 PM
To: Michele Richards
Cc: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; OCF Executive; Brian Cummings
Subject: June, July and August Board payments OCF Equestrian Center
Attachments: OCF contract summary letter updated 080324.pdf

Good morning,

I wanted to reaffirm for you that our (Cummings/Anderson) payments for June, July and August (which have remained uncharged on my account) are available in an escrow account in good faith. I remain hopeful that we can sit down and negotiate an equitable board agreement for the health and safety of all concerned.

The 50+ horses in this situation have now been denied a normal level of exercise since August 1st. With all access to all turnouts and exercise arenas blocked, and only paved areas that are unsafe for trot or canter work accessible, **this is an increasingly hazardous situation for the horses and users of the equestrian center. Indeed, CEO Richards and the board received notice that one rider was injured yesterday, and a second incident report for a separate rider will be filed today.**

For horses in training and lesson programs, this sudden change in activity can lead to serious health problems, as these large animals are accustomed to a minimum of 1 hour of trot/canter work 6 days per week. This change in activity level risks colic and injury to themselves or others as they become increasingly anxious with this level of confinement and restriction of activity. **Prudence would dictate that the contract issues highlighted below not be a basis for placing the welfare of animals and those trying to take care of them at risk.**

For reference on normal exercise and activity needs of horses, I append the following links. Additionally, California code for animal welfare references the UC Davis standards <https://vetext.vetmed.ucdavis.edu/sites/g/files/dgvnsk5616/files/inline-files/California-Minimum-Standards-2023.pdf>. **In this regard, I have spoken with two of the three authors of these guidelines, who noted that denying this access may be a criminal offense under California Penal Code section 597t, which requires adequate exercise access to be provided for animals in confinement.** Specifically: "§ 597t of the California Penal Code states: Every person who keeps an animal confined in an enclosed area shall provide it with an adequate exercise area." Ultimately, whether under criminal code or common sense, the rationale for choosing these aggressive and harmful steps over a peaceful discussion and resolution will be difficult to justify in the long run.

<https://www.jecballou.com/trainingtips/how-long-should-i-train-my-horse-daily#:~:text=This%2025%20to%2030%20minute,brisk%20walk%20or%20easy%20jog>

<https://www.advancedequinehv.com/how-much-exercise-do-horses-need/>

<https://www.equiculture.net/blog/what-is-essential-exercise-for-a-horse>

As I have summarized previously (letter appended below), this is at the heart of the contract dispute that should not be used to place animals or people at risk. In brief:

The rental agreement used the F-31 rental form which is provided to all DAAs by the California Department of Food and Agriculture (CDFA; “Fairtime and Interim Event Rental Agreement”) as a template “legally sufficient for 2-3 day events”. **Critically, the contract provided to the boarders does not define a clear scope of work for services and responsibilities to renters regarding support for maintenance and upkeep of facilities, amount of access, contains numerous clauses that are irrelevant, and numerous clauses that are inappropriate because of the amount of deferred maintenance on the facility since the fairgrounds contracted with LWI.** When boarders proposed contract edits to address these issues and requested clarification of the services to be provided under the new boarding contract, OCF staff rejected their payments and 30 day notice to quit evictions were issued.

CEO Richards has stated that “There’s nothing to meet about at this point. They have been informed that we can’t accept any edits to that standard agreement..”, However, the ability to modify contracts including the F-31 rental form is defined in the DAA contract manual, page 60: “3 – F-31 “Rental Agreement Forms” Any changes made to documentation initialed by both parties”. **It is clearly normal practice to adapt these agreements to meet the unique demands of different renters and situations.** Given that this is an agreement that is necessarily being adapted from a 2-3 day temporary rental template to an arrangement that is to last for the next 6 months, it is reasonable to expect both discussion and an effort to reach common ground.

Critically, the contract is silent with regard to establishing either a baseline for the current state of Association property, or defining what falls into this category of property. This would place renters under this contract in an untenable position. The hot walkers, referenced in the contract on Page 10 Item 16, provide a tangible basis for understanding this concern. The hot walkers have not been maintained and do not work safely, yet there is a specific clause dedicated to their use. If one signs this contract, and there is no pre-inspection of the facility to agree on existing repair state/damages, would the deposit paid by a renter be subject to use to repair them? If functioning hot walkers are a part of the rent paid, what obligation is the OCF under to repair and maintain them? Similarly, since these contracts were issued at least two of the cross-tie poles at the facility have failed because of a lack of welding maintenance; one of these while a horse was in the cross ties creating a clear hazard. Again, if one signs this contract, and there is no agreement regarding existing repair state/damages, would the deposit paid by a renter be subject to use to repair them? Would a renter be charged for damages?

For all of these reasons, I request that CEO Richards and the Board reconsider their position, before an animal or person is seriously injured.

Aileen Anderson
Brian Cummings

June 26, 2004, updated August 3, 2024

OC Fairgrounds Board of Directors

We appreciate the offer to meet with CEO Richards regarding the new equestrian center contracts. Unfortunately, while two meeting days were offered, each of these offers was made with short notice. An offer received by email Friday May 24 was made to provide individual meeting times Saturday May 25 between 10-11:30 a.m, and an offer received by email Thursday May 30 to meet 3:30-5pm on Thursday May 30. As a result, many boarders with jobs and kids, certainly myself, were unable to take advantage of these opportunities.

It is unfortunate that, given these limited opportunities, OCF staff have declined to discuss proposed modifications to the contract, and declined to accept payment - even when made in full for the newly established rates - for contracts that were signed with markups.

The subsequent issuance of eviction notices during the first scheduled equestrian show at the OCF is also unfortunate, as is the state of communication with the public on the details of the revised contract and evictions.

Accordingly, we respectfully submit the following points and comments regarding both communication with the public in the June 24 edition of the OC Register and the details of the new boarder (renter) contracts below:

1) OCF staff are quoted as stating the following in the June 24 edition of the OC Register: "*No one expressed concern to me about any of the terms in those contracts*".

This is not accurate. Many boarders approached staff about the terms of the contract in the months leading up to the eviction notices, including being told to submit contract markups in writing in emails going as far back as March of 2024. Other boarders have documented and provided records of those communications.

In addition, at least one trainer communicated in a one-on-one meeting with CEO Richards that it would not be possible to sign on to some of the clauses, specifically the requirement for a deposit and liability for damages to stalls and other areas going forward, because of the large amount of deferred maintenance that has accumulated since the OCF took over management of the facility.

2) OCF staff are also quoted as follows: "*Richards said the rental agreements have standard terms, including the ones cited by Graves, that are part of a state-mandated template and that these rental agreements have been signed without edits in the past.*"

The rental agreement was modeled on the F-31 rental form template. This template is provided to all DAAs by the California Department of Food and Agriculture. The F-31 form is called the "Fairtime and Interim Event Rental Agreement".

Appended is a copy of that agreement as distributed by the CDFA, with cover letter, which states:

"Per Assembly Bill 2490, District Agricultural Associations (DAAs) may contract in accordance with Board developed and approved written policies; it is recommended

that DAAs adopt the F-31 template as a **fair-time or short-term interim event rental template, excluding carnival agreements. **The revised F-31 template is legally sufficient for 2-3 day events.****

A contract template intended for 2-3 day events is not appropriate for long-term rental or maintenance of an equestrian facility. Also appended is a document comparison of the F-31 form and equestrian rental agreement for reference. As boarders and trainers have communicated, review of these documents makes it clear that this is a one-sided contract that is not in line with industry standard contracts, and minimally addresses what the OCF is providing in terms of services. For example, there are 11 pages of defined requirements for renters and only 1/2 page of what is provided by the OCF to renters, with no clear description of services, responsibilities to renters regarding support for maintenance and upkeep of facilities.

Moreover, there are numerous clauses in the F-31 based short term rental contract that are irrelevant, or inappropriate because of the amount of deferred maintenance on the facility since the fairgrounds assumed operations with Lopez Works. For example, Page 1 Item 6, Page 10 Item 23, and Page 3 Item 7 - all of which focus on establishing a security deposit and the responsibility of the renter for damages. There is significant deferred maintenance of stalls, fences and other property that fall within these clauses, but the contract is silent with regard to establishing either a baseline for the current state of Association property, or defining what falls into this category of property. This would place renters under this contract in an untenable position. The hot walkers, referenced in the contract on Page 10 Item 16, provide a tangible basis for understanding this concern. The hot walkers have not been maintained and do not work safely, yet there is a specific clause dedicated to their use. If one signs this contract, and there is no pre-inspection of the facility to agree on existing repair state/damages, would the deposit paid by a renter be subject to use to repair them? If functioning hot walkers are a part of the rent paid, what obligation is the OCF under to repair and maintain them? Similarly, since these contracts were issued at least two of the cross-tie poles at the facility have failed because of a lack of welding maintenance; one of these while a horse was in the cross ties creating a clear hazard. Again, if one signs this contract, and there is no pre-inspection of the facility to agree on existing repair state/damages, would the deposit paid by a renter be subject to use to repair them? Would a renter be charged for damages?

3) OCF staff are also quoted stating: "There's nothing to meet about at this point. They have been informed that we can't accept any edits to that standard agreement.."

Critically, the ability to modify contracts including the F-31 rental form is defined in the DAA contract manual, page 60:

- 3 – F-31 "Rental Agreement Forms"
 - Submit 3 completed signed copies of the F-31 with all applicable items completed as required.
 - Authorized signatures of contractor and DAA CEO on each copy of F-31.
 - If changing termination clause, add new clause and line out pre-printed clause on reverse of F-31. Both parties initial.
 - **Any changes made to documentation initialed by both parties.**

It is clearly normal practice to adapt these agreements to meet the unique demands of different renters and situations. Given that this is an agreement that is necessarily being adapted from a 2-3 day temporary rental template to an arrangement that is to last for the next 6 months, it is reasonable to expect both discussion and an effort to reach common ground.

Examples of additional contract comments which impact the ability of renters to move forward without further discussion/revisions.

Page 3 Item 5

"Association will furnish necessary janitor service for restrooms, but Renter must, at his/her own expense, keep the Premises and adjacent areas properly arranged and clean."
This statement is unclear. What activities are required by the renters?

Page 4 Item 14

"Contractor, by signing this contract..."

Specifies contractor and not renter, which is inappropriate to this agreement.

Page 5 Item 2

"This is a month to month agreement which may be terminated by either party on 30 days notice".

Month to month agreements are not at all in alignment with industry standard for equestrian facilities.

Page 8 Item 12f

"Availability of arenas will be based off OCFECs public program needs. Notification regarding arenas availability and/or closures will be communicated to Renters."

The period of advance notice should be defined. All of the existing programs on site have schedules that are established weeks, and sometimes months, in advance. Creating a structure with no predictability will severely impact the ability of the "Renters" to maintain existing public programming. Moreover, safety is a critical concern for both boarders and trainers. Rescheduling of lessons/programs, daily exercise programs to maintain equine health, and other training activities will certainly be necessary to accommodate at least some aspects of public programming, for which an agreed upon term of advance notice is essential.

Page 9 Item 15 Common Areas

"Fees will be assessed on size"

As previously communicated to staff and the board, this stipulation is well outside the industry standard, and seem to fall into a junk fee category.

Together, these issues result in a one-sided contract, which meets the procedural requirement for an unconscionable contract under California law. Similarly, the overly harsh imposition of a cost structure requirement to make up the deficit created by the OCF decision to sign and retain an exorbitantly expensive contract with Lopez Works on renters who have no alternatives meets the substantive requirement for an unconscionable contract under California law.

Thank you for your consideration of this summary,

Aileen Anderson
Brian Cummings

From: Sarah klifa
Sent: Wednesday, August 7, 2024 4:47 PM
To: OCF Equestrian; Teresa Dayton; bbagneris@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; nkovacevich@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; tbilezikjian@ocfairboard.com; Michele Richards
Subject: Board payments and horses welfare

Hello,

I wanted to update you all that my attempts to pay my board bill have been rejected by staff. And I have paid for the remainder of June, July and now August into the established escrow account in good faith that this contract dispute will be resolved.

As an animal lover my heart is hurting. Defenseless animals should never be leveraged like this. I am sincerely concerned for my horses and my clients horses health and safety. The more time the horses stay locked out the more wild they become and the more dangerous they become to themselves and human handlers. Just yesterday I was riding a youngster horse and he got pretty wild and I started to get nervous for my own safety. The concrete is slippery they can easily fall down on a rider, not to mention falling on the asphalt or hard packed barn isles would be terrible especially since it's avoidable. I don't think the risk for human and horse health and safety was whole heartedly considered. And I implore you all to recognize that leveraging defenseless animals is a completely unnecessary tactic and is very disappointing coming from an agriculture district.

And think of all the children being effected... Thank you for your prompt consideration in this urgent matter.

Sincerely,

Sarah Klifa

Sent from my iPhone

From: Jessica Buehler
Sent: Sunday, August 11, 2024 9:04 PM
To: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; Michele Richards
Subject: Buehler Veterinary Inc. Letter to OC Fairgrounds Management

To whom it may concern,

I am writing to express my concern regarding the recent restrictions placed on the exercise areas at the Orange County Fairgrounds Equestrian Center. It has come to my attention that the arenas, turnouts, and lunge areas are being restricted, preventing the horses boarded at the facility from accessing the necessary spaces to exercise. As you are aware, regular exercise is crucial to maintaining the health and well-being of horses. Denying them this access poses significant risks to their health and could lead to serious medical conditions and death. As a veterinary professional, I am deeply concerned about the impact these restrictions are having. These restrictions are cruel and unusual, and I am deeply appalled for your lack of respect for the health and well-being of the horses that live on these grounds. I urge you to address this issue promptly to ensure the continued health and safety of the horses.

Jessica Buehler, DVM, CVA
Buehler Veterinary Inc.
[REDACTED]

From: lara maxinoski
Sent: Tuesday, August 13, 2024 10:46 AM
To: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; dlabelle@ocfairboard.com; tbilezikjian@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; Michele Richards
Subject: OCF Equestrian Center

Hello Board Members,

I have been boarding my horse at the Fairgrounds for the last 8 years, and in that time I have never been late on a single payment nor have I stalled on signing any past contracts. I WANT TO SIGN AND BE IN COMPLIANCE.., and did so, but of course my contract and payment attempts were rejected due to edits made to relevance. After review by several Attorneys and others more contract savvy than myself, I have been advised that in it's unedited form, this boarding contract is completely unconscionable. I cannot obligate myself to this. We are justly asking for reasonable terms similar to what would be found in the contracts of other equestrian boarding facilities. This is not about the rates.

My question still has not been answered... HAVE YOU READ THE CONTRACT FOR YOURSELVES? Is it something you would sign if boarding?

Our requests for a reasonable contract have instead been met with actions to endanger the wellbeing of people and animals alike on the premises. You have been advised by veterinarians, state officials, and equine professionals (clearly more educated on the matter than yourselves), that the actions your team have taken constitutes animal abuse, are condemned, and endangering to both short and long term welfare. Under what authority do you act outside of this professional guidance and jeopardize safety to all beings on site? Today is the 13th day of this lockout. Multiple injuries have taken place and been brought to your attention.

We ask first, that you unlock the arenas immediately thus allowing the horses to exercise appropriately to ensure proper handleability and health standards are able to be met. Secondly, for applicable contracts to be issued so that we can sign ASAP. We desire for the OCF Equestrian Center to once again be a safe place for all, for many years to come.

Lets end this please before the damage to life escalates.

I look forward to your reply. Thank you,

Lara Maxinoski

Long term equestrian boarder and resident of Costa Mesa, CA

From: Lisa Sabo
Sent: Thursday, August 15, 2024 11:55 PM
To: Kovacevich Nick; Bagneris Barbara; LaBelle Doug; Bilezikjian Tanya; Pham Newton; Rubalcava-Garcia Natalie; Ruiz Robert; Michele Richards
Subject: Making it clear

Hello OC Fairgrounds Board Members,

In the last board meeting I was very clear in my comments that I could understand this first rental increase because of inflation. I was not opposed to paying my rent, but it was rejected by the OC Fairgrounds office staff.

When talking with CDFA Michael Flores he was surprised when I told him I would bring a check with full amount to the table if we could speak.

I want to make it abundantly clear I am willing to pay my board bill, I have always been willing to pay my board bill, my payment was rejected by your office staff.

For me there are a few things that need to be made clear in the contract. I told Michele that in our one on one behind closed doors session. I asked Michele if we could speak again about it before the contract was due, she was too busy and cancelled the appointments.

Run Fast, Jump High, Lisa Sabo



From: Lisa Sabo
Sent: Sunday, August 18, 2024 9:53 PM
To: Kovacevich Nick; Rubalcava-Garcia Natalie; LaBelle Doug; Bilezikjian Tanya; Ruiz Robert; Pham Newton; Michele Richards; Bagneris Barbara; Jackson Dimetria
Subject: Karime Perez. Fwd: Screenshot 2024-08-18 at 9.14.21 PM

Hello OC Fair Board Members,

When my husband was the coach for the Mexican Olympic Team, many of the riders came to the US with their families and trained out of the OC Fairgrounds Equestrian Center.

Karime Perez's Dad was one of the top riders we coached. Karime was a little kid following along. Karime spent many hours riding my ponies at the OC Fairgrounds Equestrian Center. Check out Karime today. So proud of her. Hopefully, she will be competing in LA 2028!

Run Fast, Jump High, Lisa Sabo



9:14



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karime.perezz

听了 Belters Only · My Mind

...



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18



1



Liked by [martina.francos](#) and others

karime.perezz You and I are more than friends, we're like a really small gang😎
Dolcevita showing off

Photo: [@anwaresquivel](#)

#Dolcevitadelacke #KeepPushing

#BeAChingona

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Add a comment...

4 hours ago



Cheers, Lisa Sabo
Sent from my iPhone

Board of Directors
OC Fair & Event Center,
88 Fair Drive, Costa Mesa, CA 92626.

August 20, 2024

To Board of directors:

OC Fair needs to revamp its operations. It makes people buy tickets in advance. If you try to buy tickets the day of for the family, they will be sold out. However, OC Fair does not allow people to buy parking tickets in advance. When we got there, there were No parking anywhere and not even on the streets or other businesses, after going around and around. The fair makes people spend hundreds of dollars in advance but people cannot even park and go in. Wasted money and wasted hours stuck in traffic. How do you make people buy tickets in advance but not allow advance parking ticket purchase?

Traffic was backed up many exits before on the freeway on the weekends, creating a traffic jam felt throughout the 55 and potential driving hazards. We almost got hit by several dangerous drivers trying to get in from the farthest lane suddenly into the fair exit ramp, partly because of walls of cars blocking Costa Mesa exit near the fair due to insufficient parking but people continue circling around the block in vain for hours and cannot get in. Even if you go to Disney which is much bigger and many more people go, there is no such chaos. It was a terrible waste of time and money, same for many families. If there is not enough parking, you should not allow people to spend money to pay for tickets if people cannot park and go in, because people's money is wasted and profited by the fair.

OC resident

From: Christina Topffer
Sent: Monday, August 26, 2024 10:06 AM
To: bbagneris@ocfairboard.com; djackson@ocfairboard.com; dlabelle@ocfairboard.com; nkovacevich@ocfairboard.com; npham@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; tbilezikjian@ocfairboard.com; Michele Richards
Cc: Bernard Debbasch
Subject: Preserve the OC Fair Equestrian Center for Our Community

Dear Members of the OC Fair Board,

I hope this message finds you well. I am writing to express my deep concern regarding the proposed changes to the OC Fair Equestrian Center, specifically the imposition of new contracts on horse owners along with the increase in rent. These changes could lead to the closure of a vital community resource that has been instrumental in fostering personal growth and community engagement.

Our daughter, Olivia, who is 14 years old, has been riding at the Equestrian Center for the past 4 years. She started during Covid when there were not a lot of activities available. She was a shy, young girl who has now bloomed into a young adult. The time she has spent riding and volunteering at the Equestrian Center has had a strong positive impact on her development.

The OC Fair Equestrian Center is more than just a facility for horse riding; it is a cornerstone of our community. It provides a unique environment where children and adults alike can develop essential life skills. The Equestrian Center is invaluable for the following reasons:

1. **Development of Self-Esteem and Confidence:** Riding and caring for horses helps children build self-esteem and confidence. The sense of accomplishment they feel when mastering a new skill or overcoming a challenge is unparalleled.
2. **Leadership Skills:** Working with horses requires patience, discipline, and leadership. Children learn to communicate effectively and assertively, skills that are transferable to many areas of life.
3. **Responsibility and Empathy:** Taking care of horses teaches responsibility and empathy. Children learn the importance of routine, care, and the well-being of another living being, fostering a sense of compassion and responsibility.
4. **Community Engagement:** The equestrian center is a hub for community activities and events. It brings people together, fostering a sense of belonging and community spirit. The relationships and bonds formed here are invaluable.
5. **Physical and Mental Health:** Horse riding is a great form of physical exercise and has been shown to have therapeutic benefits.

Our family is extremely concerned about the health of the horses due to the fact that they have not been able to get proper exercise the past few weeks. It is abusive towards the horses and will result in injuries. It is also concerning that many of the children are missing out on their horseback riding lessons.

Keeping the Equestrian Center in Costa Mesa means a lot to us as a family. I urge you to reconsider the proposed changes and work towards a solution that preserves this invaluable resource for future generations.

Thank you for your attention to this matter.

Sincerely,

Christina Topffer

[REDACTED]

From: Regina Mundekis
Sent: Friday, September 6, 2024 2:51 PM
To: nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; Robert Ruiz; npham@ocfairboard.com; dlabelle@ocfairboard.com; tbilezikjian@ocfairboard.com; djackson@ocfairboard.com; Michele Richards
Subject: Equestrian Center Holdouts Are Granted Privileges No One Else Has

Dear Board and CEO,

The Board approved moving forward with The Ranch program to create Centennial Farm-type programming to teach students about horses. Other activities at The Ranch will include veterinary tech training, equine assisted therapy, hands-on equine exhibits, mental health gardening, programs for veterans, free horse shows, and the Ranch After School Program, among other activities to serve the public.

The plan was to allow private boarding and training on a space-available basis to peacefully co-exist alongside private equestrian activities. Peaceful co-existence requires cooperation and maturity on the part of all parties involved because things need to be shared, opinions respected, and mutual cooperation take place. Each party gives to get. This is a lesson which starts with toddlers and reinforced in kindergarten with the class toys and books.

Equestrians do not share the vision and beliefs which are creating The Ranch program. Some of the equestrian beliefs are (not an exhaustive list):

- The equestrian center is theirs to use as they see fit.
- They cannot be evicted.
- They don't have to change stalls when asked to do so.
- Contract terms and prices must be what the equestrian dictate them to be.
- They can stay as long as they want to and do not need to sign a contract to do so.
- A contract signed by only one party is a valid and binding contract.
- Only equestrians who are in the clique know how to run the equestrian center and anyone else is too stupid to figure it out.
- The rest of us are there to do what we are told to do by the equestrians including subsidizing their horse hobby. We need to learn our place and stay there.
- A lack of boarding space caused in our county gives a mandate for a clique of horse owners to have a permanent place at our Fairgrounds. Much like herpes, once you have horses, you cannot get rid of them.

As a State owned and operated fair, gifts of public funds are prohibited. The Board had a discussion about finding ways to allow the lower income members of our community to attend and enjoy the OC Fair by providing them with tickets and food vouchers. While State law allows distribution of free fair admission tickets under specific circumstances, the prohibition against gifts of public funds prevents the OC Fair from distributing food vouchers to lower income members of our community. Yet somehow we are supposed to allow persons who live in five bedroom houses with four bathrooms and three garages in the bay to use Fairgrounds facilities at less than what it costs to maintain and provide services because those individuals own horses. Should we buy horses for the lower income persons so that we can give them food vouchers for the OC Fair?

Boarding at the Fairgrounds must be tied to performing work for the Fairgrounds. There are dairy cows at Centennial Farm but no one is allowed to keep their dairy herd on the property. A flock of chickens resides to teach about raising poultry but no individual keeps their flock on the property. The same must apply to horses.

We cannot allow the actions of a few entitled people who misuse public property to put public safety and public programming jeopardy. Our priority needs to be taking any and all actions to maintain public safety while we implement our new public programming model.

Thank you for your interest in this matter,

Reggie Mundekis