

EXHIBIT B: BUDGET DETAIL AND PAYMENT PROVISIONS

PAYMENT TERMS AND INVOICING REQUIREMENTS

For services satisfactorily rendered, and upon receipt and approval of the invoice(s), the state agrees to pay the Contractor for said services in accordance with the rates specified in EXHIBIT E: COST WORKBOOK.

Invoices shall be submitted not more frequently than monthly in arrears to the address provided below and must include:

1. The word "INVOICE" should appear in a prominent location at the top of page(s).
2. Printed name of the Contractor.
3. Business address of the Contractor, including P.O. Box, City, State, and Zip Code.
4. The date of the invoice.
5. The number of the Agreement upon which the claim is based; and
6. An itemized account of the services for which the Water Board is being billed, must include:
 - a. The time period covered by the invoice, i.e., the term "from" and "to".
 - b. A brief description of the services performed.
 - c. The method of computing the amount due. On cost-reimbursable Agreements, invoices must be itemized based on the categories specified in the Budget. The amount claimed for salaries/wages/consultant fees must also be explained (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - d. The total amount due. This should be in a prominent location in the lower right-hand portion of the last page and clearly distinguished from other figures or computations appearing on the invoice. The total amount due shall include all costs incurred by the Contractor under the terms of this Agreement.
 - e. Original signature of Contractor (not required of established firms or entities using pre-printed letterhead invoices).
 - f. A line item for any payments made to a Disabled Veteran's Business Enterprise (DVBE) subcontractor.
 - g. Personnel name, classification, rate per hour and hours worked.

Contract Manager – DIT

Mischa.Matsunami@WaterBoards.ca.gov

1001 I Street, 8th Floor

Sacramento, CA 95814

The Contractor shall also send a copy of the invoice or payment request to the Water Board Accounting Operations Section:

State Water Resources Control Board – Accounting

1001 I Street, 18th Floor

Sacramento, California 95814

The Contractor shall be paid for services and/or work products provided pursuant to a WOA on a fixed price basis.

Invoices shall be submitted in arrears not later than thirty (30) days after State Acceptance of the WOA. Invoices must include the following:

1. Invoice with the Agreement and WOA number.
2. A certification statement that is signed by a company official, attesting to the accuracy of the invoice data and includes that company official's phone number and email address.
3. Copies of documentation supporting that the State has provided Acceptance for the items invoiced.
4. The start and end dates for the service period covered in the invoice. If an invoice service period crosses between State fiscal years, the Contractor shall provide an invoice for each fiscal year. The State fiscal year is July 1 to June 30; and
5. Receipts for travel expenses.

Contractors who are certified as small businesses or recognized as non-profit organizations by the Office of Small Business and DVBE Services (OSDS) will be paid in accordance with California Government Code, Title 1, Section 926.15. Invoices for all other Contractors shall be paid within 45 calendar days. In either situation, payment of any invoice will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed invoice or payment request. Failure to use the address exactly as provided above may result in return of the invoice or payment request to the Contractor. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. All invoices must be approved by the Contract Manager.

Any invoices submitted without the above referenced information may be returned to the Contractor for further re-processing.

EXPENSE ALLOWABILITY/FISCAL DOCUMENTATION

1. Invoices received from a Contractor and accepted and/or submitted for payment by the Water Board, shall not be deemed evidence of allowable Agreement costs.
2. The Contractor shall maintain for review and audit and supply to the Water Board upon request, adequate documentation of all expenses claimed pursuant to this Agreement to permit a determination of expense allowability.
3. If the allowability or appropriateness of an expense cannot be determined by the Water Board because invoice details, fiscal records, or backup documentation are nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed, and payment may be withheld by the Water Board. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.
4. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures.

Costs and/or expenses deemed unallowable are subject to recovery by the Water Board. See provision entitled, "Recovery of Overpayments" for more information.

RECOVERY OF OVERPAYMENTS

1. The Contractor agrees that claims based upon a contractual agreement or an audit finding, and/or an audit finding that is appealed and upheld, will be recovered by the Water Board by one of the following options:
 - a. Contractor's remittance to the Water Board of the full amount of the audit exception within thirty (30) calendar days following the Water Board request for repayment: or
 - b. A repayment schedule, which is agreeable to both the Water Board and the Contractor.
2. The Water Board reserves the right to select which option will be employed, and the Contractor will be notified by the Water Board in writing of the claim procedure to be utilized.
3. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning thirty (30) calendar days after Contractor's receipt of the Water Board demand for repayment, or commencing on the date that an audit or examination finding is mailed to the Contractor, if

applicable.

4. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, the Contractor shall repay, to the Water Board, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of Water Board notice requesting reimbursement of questioned audit costs or disallowed expenses.

BUDGET CONTINGENCY CLAUSE

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this contract does not appropriate sufficient funds for the program, this contract shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this contract and the Contractor shall not be obligated to perform any provisions of this contract.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the state shall have the option to either cancel this contract with no liability occurring to the State, or offer a contract amendment to the Contractor to reflect the reduced amount.

The Water Board obligation to make any payments under this Contract shall be suspended during such time as the Budget Act covering that fiscal year has not been approved by the Legislature and signed into law by the Governor.

PROMPT PAYMENT CLAUSE

Payment for services under this Contract shall be made in accordance with the State of California's Prompt Payment Act (Government Code Section 927 et seq.) The Prompt Payment Act requires State agencies to pay properly submitted, undisputed invoices within forty-five (45) calendar days of initial receipt.

SALES TAX

Sales Tax is not to be included in the cost workbook. If awarded, the contract Sales Tax, if applicable, should be added at the time of invoicing. The Sales Tax rate applied should be based on the rate of the area where the service is to be provided. See the California Department of Tax and Fee Administration Sales and Use Tax Regulation 1502 (f) (1) (D).

PAYMENT WITHHOLD

In accordance with Public Contract Code, §12112, the State will withhold, from the invoiced payment amount to the Contractor, an amount equal to fifteen percent (15%) of the payment. Such retained amount shall be held by the State and only released to the Contractor upon the State's Project Manager determining that the Contractor has satisfactorily completed all the required services related to the Final System Acceptance in accordance with [SECTION 10.4.7. PRODUCT STABILIZATION AND FINAL SYSTEM ACCEPTANCE](#).

PAYMENT METHOD

Payment to the Contractor will be made per the fixed deliverable rate or hourly labor rate by resource classification as set forth in the Agreement for all labor-related costs.

COST LIMITATION

The total amount of this Agreement shall not exceed the amount specified in the Standard Agreement, and any amendments thereafter.

CONTRACTOR NAME CHANGE

An amendment is required to change the Contractor's name as listed in this Contract. Upon receipt of legal documentation of the name change, SWRCB and the California Department of Technology, Office of Statewide Technology Procurement will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

TRAVEL AND PER DIEM EXPENSES

There will be no travel or per diem costs reimbursed under this contract.

FINAL BILLING

A final undisputed invoice shall be submitted for payment no more than thirty (30) calendar days following the expiration or termination date of this Agreement. Said invoice should be clearly marked "Final Invoice," thus indicating that all payment obligations of the Water Board under this Agreement have ceased and that no further payments are due or outstanding.

The Water Board may, at its discretion, choose not to honor any delinquent final invoice.