

2. The CONTRACTOR'S written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the CONTRACT, the CONTRACTOR shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the CONTRACTOR believes the COUNTY is liable.
- b. Pending the final resolution of any dispute arising under, related to, or involving this CONTRACT, the CONTRACTOR agrees to diligently proceed with the provision of services under this CONTRACT. The CONTRACTOR'S failure to diligently proceed shall be considered a material breach of this CONTRACT.

Any final decision of the COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by the CONTRACT MANAGER. If the COUNTY fails to render a decision within ninety (90) days after receipt of the CONTRACTOR'S demand, it shall be deemed a final decision adverse to the CONTRACTOR'S contentions. Nothing in this Paragraph shall be construed as affecting the COUNTY'S right to terminate the CONTRACT for Cause or Terminate for Convenience as stated in Paragraph J herein.

31. **Complaint Handling Procedures:** CONTRACTOR shall comply with the "Complaint Handling Procedures", a copy of which is available from the PROJECT MANAGER. CONTRACTOR shall advise participants of their right to file complaints and of the procedures for resolution of any complaints. CONTRACTOR shall follow COUNTY'S procedures for handling complaints which is available from the PROJECT MANAGER for alleging a violation of regulations, grants or other agreements. Any decision of the COUNTY, the State or the Federal government relating to the complaint shall be binding on CONTRACTOR.
32. **EDD Independent CONTRACTOR Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file federal Form 1099-Misc for services received from a "service provider" to whom the COUNTY pays \$600 or more or with whom the COUNTY enters into a contract for \$600 or more within a single calendar year attached hereto as Exhibit F and incorporated herein by this reference. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent CONTRACTORS. An independent CONTRACTOR is defined as "an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at www.edd.ca.gov/txicr.htm.

