



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 8, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AGRICULTURAL COMMISSIONER/WEIGHTS AND MEASURES: APPROVAL OF
PETROLEUM PRODUCTS AND WEIGHMASTER ENFORCEMENT AGREEMENT WITH THE
CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE FOR INSPECTING RETAIL
GAS STATIONS AND LICENSED WEIGHMASTERS
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Agricultural Commissioner/Weights and Measures (ACWM) is requesting approval to execute a contract agreement for \$132,675 with the California Department of Food and Agriculture (CDFA). The ACWM will be reimbursed for inspections conducted at retail motor fuel stations to ensure compliance with California advertising and signage requirements. The ACWM will also be reimbursed for inspections conducted at businesses (weighmasters) that weigh, measure, or count commodities and for which charges, either for buying or selling, are then based on those weighments, measurements, or counts.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Agricultural Commissioner/Director of Weights and Measures to sign the accompanying agreement with the CDFA which reimburses the County \$132,675 for one year, beginning July 1, 2008, for inspections conducted at retail gas stations and licensed weighmasters, by employees of the ACWM.
2. Authorize the ACWM to amend the agreement, if necessary, in an amount not to exceed 10 percent of the original agreement amount, at no County cost, subject to review and approval by County Counsel and the Chief Executive Office, and notification to Board offices.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

For the past 19 years, CDFA has contracted with the ACWM to enforce California Business and Professions Code (BPC), Division 5, Chapters 14, 14.5, and 15, pertaining to gasoline station advertising signage, petroleum product labeling, and quality standards. CDFA has also contracted with the ACWM to enforce BPC, Division 5, Chapter 7, and California Code of Regulations, Title 4, Division 9, Chapter 9, pertaining to weighmaster laws and regulations. CDFA wishes to continue reimbursing the ACWM for these enforcement activities under a single agreement.

Approval of the recommended agreement would allow the ACWM to continue the long-standing contractual and mutually beneficial relationship with CDFA.

Implementation of Strategic Plan Goals:

The agreement supports the County Strategic Plan Goals of Service Excellence (Goal 1), and Fiscal Responsibility (Goal 4). County residents benefit when the approximately 1,900 retail gasoline stations maintain accurate, easily visible advertising displays at the street and at the dispensers. They further benefit when various products, including lubricants, antifreeze, and gasoline, are properly identified as to their uses and quality attributes. Consumers benefit when commercial transactions that are based on quantities of commodities certified on weighmaster certificates are accurate, enabling both the purchaser and seller to have confidence in the accuracy of quantities represented on these certificates.

FISCAL IMPACT/FINANCING:

The contract is 100 percent revenue offset. The County will receive \$108,975 for petroleum products inspections, and \$23,700 for enforcement of weighmaster laws and regulations, up to a maximum \$132,675.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

It is within the scope of the mission of the ACWM to ensure that the residents of the County are protected from deceptive advertising practices that could take place at retail gasoline stations or deceptive practices at the licensed weighmaster establishments. The ACWM is also directed by law to protect consumers from being sold petroleum products that fail to meet established quality standards. ACWM inspectors issued 719 notices of violation to retail gasoline stations during Fiscal Year 2006-07 for violations of Chapters 14, 14.5, and 15. During the same period, 148 notices of violation were issued to licensed weighmaster establishments for violations of BPC Chapter 7, and California Code of Regulations, Title 4, Division 9, Chapter 9.

The terms of the Petroleum Products and Weighmaster Enforcement Agreement shall be for the period commencing July 1, 2008 through June 30, 2009.

The agreement has been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Petroleum Products and Weighmaster Enforcement Agreement support enforcement programs already in place.

CONCLUSION:

When approved, please return the original Petroleum Products and Weighmaster Enforcement Agreement to ACWM, along with an adopted copy of this letter, and the minute order directing the Agricultural Commissioner/Director of Weights and Measures to sign. The ACWM will forward copies of the documents to the CDFA Contracts Office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:RDC
KEF: RKI:JNH:jh/yjf

Attachment

C: Maya Lee, County Counsel
Auditor-Controller

Petroleum.Products.bm

AGREEMENT NUMBER 08-0026
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

DEPARTMENT OF FOOD AND AGRICULTURE

CONTRACTOR'S NAME

COUNTY OF LOS ANGELES

2. The term of this Agreement is: July 1, 2008 Through June 30, 2009

3. The maximum amount of this Agreement is: \$132,675.00
 One Hundred Thirty Two Thousand Six Hundred Seventy Five Dollars and No Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A – Scope of Work	1 Page(s)
Attachment 1	3 Page(s)
Attachment 2	3 Page(s)

Exhibit B – Budget Detail and Payment Provision	1 Page(s)
Attachment	1 Page(s)

Exhibit C – General Terms and Conditions - GTC 307	3 Pages
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Check mark one item below as Exhibit D:

- Exhibit D-Special Terms and Conditions
 (Attached hereto as part of this Agreement)
- Exhibit D*-Special Terms and Conditions

APPROVED AS TO FORM
 RAYMOND G FORTNER, JR., County Counsel

5. Name of Program: County Petroleum Products Compliance and Weighmaster Enforcement Programs
 By Raymond G Fortner, Jr.
 Deputy

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR	<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.) COUNTY OF LOS ANGELES	
BY (Authorized Signature) _____ DATE SIGNED _____	
PRINTED NAME AND TITLE OF PERSON SIGNING	
ADDRESS 12300 Lower Azusa Road, Arcadia, CA 91005	
STATE OF CALIFORNIA	
AGENCY NAME DEPARTMENT OF FOOD AND AGRICULTURE	
BY (Authorized Signature) _____ DATE SIGNED _____	
PRINTED NAME AND TITLE OF PERSON SIGNING JANICE L. PRICE, CONTRACTS MANAGER	
ADDRESS 1220 N STREET, ROOM 115, SACRAMENTO, CA 95814	

Exempt per:

AGREEMENT NUMBER 08-0026
REGISTRATION NUMBER

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DEPARTMENT OF FOOD AND AGRICULTURE
 CONTRACTOR'S NAME
COUNTY OF LOS ANGELES
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 (Attached hereto as part of this Agreement)
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APPROVED AS TO FORM
 RAYMOND G FORTNER, JR., County Counsel

5. Name of Program: County Petroleum Products Compliance and Weighmaster Enforcement Programs
 By: *[Signature]*
 Deputy

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)		
COUNTY OF LOS ANGELES		
BY (Authorized Signature)	DATE SIGNED	
—		
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
12300 Lower Azusa Road, Arcadia, CA 91005		
STATE OF CALIFORNIA		
AGENCY NAME		
DEPARTMENT OF FOOD AND AGRICULTURE		
BY (Authorized Signature)	DATE SIGNED	
—		
PRINTED NAME AND TITLE OF PERSON SIGNING		
JANICE L. PRICE, CONTRACTS MANAGER		
ADDRESS		
1220 N STREET, ROOM 115, SACRAMENTO, CA 95814		
		<input type="checkbox"/> Exempt per:

**EXHIBIT A
(County Agreement)**

SCOPE OF WORK

1. Contractor agrees to provide the services described herein:

Contractor will inspect for compliance in accordance to the California Business Professions Code: 1) The petroleum and automotive products advertising and labeling (Code Section 13434), and 2) The weighmaster records and verification inspections (Division 5, Chapter 7, and the California Code of Regulations, Title 4, Division 9, Chapter 9).

2. The contract managers for this Agreement are:

FOR CDFA: THE PROGRAM CONTRACT MANAGER IS:	FOR CONTRACTOR:
Name: Kristin Macey	Name: Kurt Floren
Section/Unit: Division of Measurement Standards	Section/Unit: County of Los Angeles
Address: 6790 Florin Perkins Road Suite 100	Address: 12300 Lower Azusa Road
City/Zip: Sacramento, CA 95828	City/Zip: Arcadia, CA 91005
Phone: (916) 229-3044	Phone: (626) 575-5451

3. See Attachment 1 to this Scope of Work for a detailed description of work to be performed and duties of all parties.

4. The County will be reimbursed for the following programs

a. Petroleum Products Compliance	\$108,975.00
b. Weighmaster Enforcement Program	\$23,700.00
Total Contract Amount:	\$132,675.00

SCOPE OF WORK

Initial Inspections:

In the best interest of the State, in accordance with California Business and Professions Code Section 13434, and under the authority of the Secretary of the California Department of Food and Agriculture (CDFA); the Division of Measurement Standards (Division) and the County of Los Angeles agree to the following:

An initial inspection is the first inspection in the fiscal year of a location where the *primary* business is the sale of petroleum products (i.e., retail service stations, distributors of engine fuels, oils, quick-lube shops, etc.).

An initial inspection shall include the verification of compliance with the appropriate provisions of the Business and Professions Code and California Code of Regulations relating to the advertising and labeling of petroleum and automotive products, and to verify compliance with the provisions of Section 13660 at the location. Inspection reports shall be made for each establishment inspected on forms supplied by or approved by the Division containing legible heading and violation information. Two copies of the inspection reports shall be sent to the regional field office. The original inspection reports shall be maintained at said county Office of Weights and Measures for three years and be made available to the CDFA, Division of Measurement Standards, upon request.

The Department will pay said County \$75.00 for each initial inspection of establishments selling or distributing petroleum and/or automotive products; provided the inspection is done to determine compliance with California Business and Professions Code, Division 5, Chapters 14, 14.5 and 15. The total allocation to said County for these inspections shall not exceed \$108,975.00 for this agreement. This represents 1,453 initial inspections per fiscal year.

Inspection Requirements

The Division reserves the rights to, at its discretion, assign and direct the county to take designated samples of bulk automotive or petroleum products for the purpose of marketplace surveys. The locations visited for the purpose of obtaining these designated samples shall be counted as inspections authorized by this agreement and will be paid at \$75.00 per location. The assigned number of inspections at brake shops, quick-lube shops, and other retail establishments selling bulk petroleum products or automotive products shall not exceed 10% of the total annual initial inspections authorized. Prior to being assigned sampling duties, the Division will provide training in the proper sampling and sample tag/chain of evidence completion procedures. Unless directed otherwise, all samples are to be submitted to the Division's Sacramento laboratory.

Sample containers and subvention sample identification tags will be provided by the Division. Payment for samples and transportation of the sample to the Division's Sacramento laboratory shall be the responsibility of said County. The color coded subvention sample identification tags must be used on subvention samples to identify them for reimbursement verification. Said County will use the inspection and sampling procedures outlined in the Division of Measurement Standards' "Petroleum Products Inspection and Sampling Procedure Manual." Off sale of samples not meeting

product specifications shall be the responsibility of the County or the Division, if requested to do so by the County, and will be handled in accordance with the guidelines established in the Division's "Citation Procedure Manual."

Nothing in this agreement prevents or precludes Division staff from performing routine location inspections within the county. The Division also reserves the right to do random re-inspections of locations that were billed for by the County. These re-inspections will be performed by Division staff for the purpose of evaluating the work of the county. Enforcement action, if needed, will be taken by Division staff following the "Citation Procedure Manual" guidelines. The county will be notified when Division staff is performing location inspections within the county.

Said County agrees that appropriate enforcement action shall be taken upon discovery of violation(s) at the location being inspected. The enforcement actions will be handled in accordance with the guidelines established in the Division's "Citation Procedure Manual." When an enforcement action other than the issuance of a Notice of Violation (NOV) is specified and said county is unable or fails to take that action, the Division shall take the specified enforcement action. Payment for the inspection will be withheld if enforcement action is not taken against the violator.

All requests for payment shall be made using the Petroleum Subvention Contract Invoice, supplied, and shall include the official county letterhead.

Funds will be disbursed to the County on approval of the invoice submitted quarterly. Included with the invoice shall be a list stating the total number of initial inspections conducted, the name and address of the location inspected, the number of designated samples taken, the name and location where the samples were taken, and the amount of money requested.

The invoice for billing shall be submitted to the Division of Measurement Standards Office in Sacramento.

Completed legible copies of both the pink and goldenrod report forms are to be forwarded to the regional office within (five) working days after completion of the inspection.

County Letterhead

Petroleum Subvention Contract

INVOICE

To:

California Department of Food & Agriculture
Division of Measurement Standards
6790 Florin Perkins Road, Suite 100
Sacramento, CA 95828
Attn: Kristin Macey, Contract Manager

Agreement #

Fiscal Year:

Quarter:

PCA #

55001

In accordance with the California Business and Professions Code Section 13434, funds have been allocated for CDFA to pay the County of the sum of \$ _____ per fiscal year.

The County has complied with the conditions as required.

Approved: _____
County Representative

Date: _____

Approved: _____
Division of Measurement Standards

Date: _____

Include a summary list stating the total number of initial inspections conducted, the number of designated samples taken, and the amount of money requested.

SCOPE OF WORK

Initial Audit Inspections:

The California Department of Food and Agriculture (CDFA) will pay the **County of Los Angeles** \$75.00 for each initial audit inspection of an establishment licensed as a weighmaster; provided the inspection is done to determine compliance with California Business and Professions Code, Division 5, Chapter 7 and California Code of Regulations, Title 4, Division 9, Chapter 9. The total allocation to the County for these inspections shall not exceed **\$11,850.00** this agreement. This represents **158** initial inspections per fiscal year or approximately 20% of the licensed locations in the County.

An initial audit inspection is the first audit inspection in the fiscal year of a business location that is operating as a licensed weighmaster.

Locations to be visited for initial audit inspections shall be chosen from those licensees that have not been inspected in the proceeding four (4) years. The exception to this will be a county that has a limited number of licensed locations that would not permit it. When a location is found to be out of business, an audit report form shall be completed indicating that the location is no longer in business. **Out of business locations are not billable. An alternate location shall be selected for an audit.**

Verification Inspections:

The CDFA will also pay the County in accordance with the following rate schedule for the indicated type of verification inspections; provided the inspection is done to determine compliance with California Business and Professions Code, Division 5, Chapter 7 and California Code of Regulations, Title 4, Division 9, Chapter 9. The total allocation to the County for these inspections shall not exceed **\$11,850.00** for this agreement.

Common Tare Weights @ \$75.00 each

Predetermined Individual Tare Weights @ \$37.50 each

Seasonal Tare Weights (Cab Cards) @ \$37.50 each

Follow-up Audit Inspection to verify previous "substantial" violations are corrected @ \$75.00 each

Undercover Purchases/Sales (excluding CRV containers) at businesses licensed under Chapter 7 @ \$75.00 each

Verified unlicensed weighmaster location that licensed as a result of a documented county informational visit – must verify they have become licensed and include license number on invoice for payment @ \$37.50 each

Inspection Requirements:

Any inspection shall include the verification of compliance with the appropriate provisions of the Business and Professions Code and the California Code of Regulations relating to weighmasters at the location. Inspection reports shall be made for each establishment inspected on forms supplied

