

## EXHIBIT B Financial Provisions

This Agreement provides for reimbursement for jail food services.

### I. PAYMENT FOR SERVICES

- A) County must sign-off on number of meals ordered and sign accepting/agreeing to the number of meals served.
- B) Vendor shall submit to the County on the first day of every week, for the preceding week an invoice for inmate/staff meals ordered or served, as accepted and agreed upon by the county at the time of service, whichever is greater, and other goods or services provided by ARAMARK, if any.
- C) The invoice shall reflect the preceding week's food services detailing the exact number of meals served on a daily basis as follows:
  - 1) Actual number of adult inmate meals
  - 2) Actual number of staff/visitor meals
  - 3) Any additional food, beverage or other services, as required
- D) ARAMARK shall provide the County with a comprehensive monthly summary of meals, services and credits. This summary shall be forwarded to the County Administrator or his designee each month.
- E) The County will pay invoices within forty-five (45) days of receipt and acceptance of the invoice. Payment shall be made by check payable to ARAMARK Correctional Services, LLC. Such payment shall be sent to:

ARAMARK Correctional Services, LLC  
P.O. Box 406019  
Atlanta, Georgia 30384-6019

- F) **Payments only** shall be sent to this address, all other correspondence shall be sent to the address set forth in Section 9 hereof.) If any invoices are not paid within forty-five (45) days of the invoice date, interest shall be charged on each invoice at One Hundred Twenty-Five Percent (125%) of the Prime Interest Rate per annum on the unpaid balance (or in the event local law prohibits the charging of such rate, interest shall be charged at the maximum legal rate permitted), computed from the invoice date until the date paid. The term "Prime Interest Rate" shall mean the interest rate published in The Wall Street Journal as the base rate on corporate loans posted by at least Seventy-Five Percent (75%) of the thirty (30) largest U.S. commercial banks, such rate to be adjusted on the last day of each ARAMARK accounting period. The right of ARAMARK to charge interest for late payment shall not be construed as a waiver of ARAMARK's right to receive payment of invoices within forty-five (45) days of the invoice date. In the event that ARAMARK incurs legal expense in enforcing its right to receive timely payment of invoices, the County agrees to pay reasonable attorney's fees and other costs.

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**II. Price Adjustments**

- A) The price per meal presented in Exhibit B of this agreement shall be in force from the contract start date through June 30, 2012.
- B) Price for each subsequent year, including annual renewal options, shall be determined by the greater of the (a) yearly percentage change in the Consumer Price Index, All Urban Consumers, U.S. City Average, Food Away From Home Index ("CPI-FAH"), published by the U.S. Department of Labor and (b) the yearly percentage change in the Market Basket of Products (as defined below) which approximate the products served at the facilities covered by this Agreement (the "Client Menu"). The period for determining CPI-FAH and Market Basket of Products increases shall be April of the immediately preceding year to April of the then-current year (the "Base Period").
- C) The "Market Basket of Products" represents categories or types of products that are generally used in the Client Menu. Such products are classified into the following six categories of food items (each, a "Menu Category"): beverage (composed of juice and non-alcoholic drinks other than milk); baked goods; produce (composed of fruits and vegetables); dairy; meat; and grocery items (composed of the food items in the menu that are not otherwise included in one of the preceding categories). Each Menu Category will be ascribed a percentage (the "Category Weighting") representing the proportion of the Client Menu that such Menu Category approximately represents based on purchasing levels during the Base Period. Each Category Weighting will then be multiplied by the percentage change in the corresponding Bureau of Labor Statistics ("BLS") category compiled by the U.S. Department of Labor and published at [www.bls.gov](http://www.bls.gov) for the Base Period, and the results of each such calculation will be added together to arrive at the overall percentage change which will represent the Market Basket of Products. For the avoidance of doubt, the BLS categories to be multiplied by the Category Weightings are (1) Beverage, All Urban Consumers, U.S. City Average; (2) Baked Goods, All Urban Consumers, U.S. City Average; (3) Produce, All Urban Consumers, U.S. City Average; (4) Dairy, All Urban Consumers, U.S. City Average; (5) Meat, All Urban Consumers, U.S. City Average; and (6) Food, All Urban Consumers, U.S. City Average. In the event that there are any changes in the method in which the BLS reports its annual statistics, including any changes or modifications to any of the applicable BLS categories, the parties agree to negotiate a mutually agreeable modification to the appropriate Market Basket of Products category or categories or the methodology described above. If the parties do not agree on such a modification, ARAMARK shall have the right to terminate the Agreement upon 90 days' prior written notice. The Market Basket of Products is designed to approximate price adjustments with product cost increases at the facility or facilities covered by this Agreement. The Market Basket of Products is an estimate of food costs only and actual costs may vary. While the Menu Categories attempt to approximate the products served at the facility or facilities covered by this Agreement, they may not precisely parallel actual usage or the BLS categories listed above. Negotiated increases must be agreed upon and a signed addendum to this contract must be completed no later than April 30<sup>th</sup> of each year and will be effective, subject to approval of the Board of Supervisors, prior to July 1<sup>st</sup> for the subsequent 12 month period.
- D) Price reductions can be offered by the Contractor any time throughout the term of the

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contract. All price adjustments must be established through issuance of a signed addendum to the contract.

#### **III. Material Adverse Change**

- A) Contractor may initiate discussions with the County to address unexpected or unforeseeable cost impacts arising from circumstances beyond the control of the Contractor.
- B) Conditions effecting per meal price may include, but are not limited to;
  - 1) A change in the scope of service initiated by the County,
  - 2) Menu changes initiated by the County,
  - 3) Substantial decrease in inmate population,
  - 4) Substantial changes in availability of inmate labor,
  - 5) Increases in supply costs,
  - 6) Change in Federal, State or Local standards or regulations,
  - 7) Change in Federal, State or Local taxes.
- C) All recommended increases must be agreed upon by the Sheriff's Office, and are subject to final approval of the Board of Supervisors.

#### **IV. Billing Address:**

- A) Contractor shall direct all invoices to the attention of the Sheriff's Business Office, P.O. Box 6427, Santa Barbara, CA 93160-6427.

#### **V. Withholding Of Payment for Non-Submission of Information:**

- A) If any required data, invoice or report(s) is not submitted by Contractor to County within the time limits described in this Agreement or if any such information is incomplete, incorrect, or is not completed in accordance with the requirements of this Agreement, then payment shall be withheld until County is in receipt of complete and correct data and such data has been reviewed and approved by the Sheriff's Office. The Sheriff's Office shall review such submitted service data within sixty (60) calendar days of receipt.

#### **VI. AUDITS AND AUDIT APPEALS:**

- A) Audit by Responsible Auditing Party. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with State and federal law authorized representatives from the County may conduct an audit of Contractor regarding the services provided hereunder.
- B) Settlement. Settlement of the audit findings will be conducted according to the

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Responsible Auditing Party's procedures that are in place.

- C) Invoice for Amounts Due. County shall issue an invoice to Contractor for any amount due County after the Responsible Auditing Party issues an audit report. The amount on the County invoice is due by Contractor to County thirty (30) calendar days from the date of the invoice.
- D) Appeal. Contractor may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.

**VII. Fee schedules:**

- A) Prices set forth are not inclusive of tax. ARAMARK will charge the price set forth below plus the applicable taxes to the County.
- B) Non-Construction
  - 1) Defined as when the full onsite jail kitchen is available for meal production.
    - a) Inmate Meals
      - 1) Regular Inmate Meal \$0.879 plus applicable tax per meal
      - 2) Kosher/Special/Halal \$2.99 plus applicable tax per meal
      - 3) Juvenile Meal \$2.99 plus applicable tax per meal
    - b) Staff Meals
      - 1) Regular \$3.00 plus applicable tax per meal
      - 2) Enhanced Options Menu To be determined by both parties
  - C) During Construction
    - 1) Defined as when the full onsite jail kitchen is not available for meal production and meals are prepared off-site and delivered to the facility.
      - a) Inmate Meals
        - 1) Regular Inmate Meal \$ 1.049 plus applicable tax per meal
        - 2) Kosher/Special/Halal \$ 2.99 plus applicable tax per meal
        - 3) Juvenile Meal \$ 2.99 plus applicable tax per meal
      - b) Staff Meals
        - 1) Regular \$ 3.00 plus applicable tax per meal
        - 2) Enhanced Options Menu Not Available
    - 2) Upon commencement of construction, the parties hereby agree that the prices set forth above in Section VI.C.1. shall immediately be increased by the current Market Basket/CPI rate notwithstanding the fact that construction may commence within the first year of operations. Additionally, for the avoidance of doubt, such prices shall further be subject to annual changes upon the anniversary date of this Agreement in accordance with Section II.B and II.C.