



# SHASTA COUNTY

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## BOARD OF SUPERVISORS

1450 Court Street, Suite 308B  
Redding, California 96001-1673  
(530) 225-5557  
(800) 479-8009  
(530) 225-5189 FAX

Supervisor David A. Kehoe, District 1  
Supervisor Leonard Moty, District 2  
Supervisor Mary Rickert, District 3  
Supervisor Steve Morgan, District 4  
Supervisor Les Baugh, District 5

## AGENDA

### REGULAR MEETING OF THE BOARD OF SUPERVISORS

**Tuesday, January 30, 2018, 9:00 AM**

The Board of Supervisors welcomes you to its meetings which are regularly scheduled for each Tuesday at 9:00 a.m. in the Board of Supervisors Chambers on the second floor of the Shasta County Administration Center, 1450 Court Street, Suite 263, Redding, California. Your interest is encouraged and appreciated.

The agenda is divided into two sections: **CONSENT CALENDAR:** These matters include routine financial and administrative actions and are usually approved by a single majority vote. **REGULAR CALENDAR:** These items include significant financial, policy, and administrative actions and are classified by program areas. The regular calendar also includes "Scheduled Hearings," which are noticed hearings and public hearings, and any items not on the consent calendar.

**TO ADDRESS THE BOARD:** Members of the public may directly address the Board of Supervisors on any agenda item on the regular calendar before or during the Board's consideration of the item. In addition, the Board of Supervisors provides the members of the public with a Public Comment-Open Time period, where the public may address the Board on any agenda item on the consent calendar before the Board's consideration of the items on the consent calendar and may address the Board on any matter not listed on the agenda that is within the subject matter jurisdiction of the Board of Supervisors. Pursuant to the Brown Act (Govt. Code section 54950, et seq.), **Board action or discussion cannot be taken** on non-agenda matters, but the Board may briefly respond to statements or questions and, if deemed necessary, refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Board Agenda.

Persons wishing to address the Board are requested to fill out a Speaker Request Form and provide it to the Clerk before the meeting begins. Speaker Request Forms are available at the following locations: (1) online at [http://www.co.shasta.ca.us/BOS/docs/Request\\_to\\_talk.pdf](http://www.co.shasta.ca.us/BOS/docs/Request_to_talk.pdf), (2) from the Clerk of the Board on the third floor of 1450 Court Street, Suite 308B, Redding, and (3) in the back of the Board of Supervisors Chambers. If you have documents to present for the members of the Board of Supervisors to review, please provide a minimum of ten copies. When addressing the Board, please approach the rostrum, and after receiving recognition from the Chairman, give your name and comments. Each speaker is allocated three minutes to speak. **Comments should be limited to matters within the subject matter jurisdiction of the Board.**

### **CALL TO ORDER**

Invocation: Pastor Eric Johnson, Bethel Church

Pledge of Allegiance: Supervisor Rickert

## **REGULAR CALENDAR**

Members of the public may directly address the Board of Supervisors on any agenda item on the regular calendar before or during the Board's consideration of the item. Persons wishing to address the Board are requested to fill out a Speaker Request Form prior to the beginning of the meeting (forms are available from the Clerk of the Board, 1450 Court Street, Suite 308B, Redding, or in the back of the Board of Supervisors Chambers). If you have documents to present for the members of the Board of Supervisors to review, please provide a minimum of ten copies. Each speaker is allocated three minutes to speak.

## **BOARD MATTERS**

### **R 1 Board Matters**

Take the following actions: (1) Receive a report on agritourism in Shasta County from Resource Management Director Richard Simon; and (2) provide direction to staff regarding development of a County-wide agritourism ordinance.

**General Fund Impact**

**Simple Majority Vote**

## **PUBLIC COMMENT PERIOD - OPEN TIME**

During the Public Comment Open Time period, the public may address the Board on any agenda item on the consent calendar and may address the Board on any matter not listed on the agenda that is within the subject matter jurisdiction of the Board of Supervisors. Persons wishing to address the Board during Public Comment Open Time are requested to fill out a Speaker Request Form and, if you have documents to present to the Board of Supervisors, please provide a minimum of ten copies.

## **CONSENT CALENDAR**

The following Consent Calendar items are expected to be routine and non-controversial. They may be acted upon by the Board at one time without discussion. Any Board member or staff member may request that an item be removed from the Consent Calendar for discussion and consideration. Members of the public may comment on any item on the Consent Calendar during the Public Comment Period - Open Time, which shall precede the Consent Calendar.

## **GENERAL GOVERNMENT**

### **C 1 Auditor-Controller**

Approve and authorize the Chairman to sign the County claims list in the amount of \$51.70, as submitted.

**General Fund Impact**

**Simple Majority Vote**

### **C 2 Administrative Office**

Approve and authorize the Chairman to sign a retroactive amendment, effective January 1, 2018, to the agreement with The Law Office of Aaron Williams, Inc. to add a provision for a one-time payment of \$145,668.29 to provide conflict indigent

defense services for cases outstanding as of January 1, 2018.

**No Additional General Fund Impact**

**Simple Majority Vote**

**C 3 Clerk of the Board**

Take the following actions regarding the 2018 calendar year Airport Land Use Commission: (1) Reappoint Supervisor Les Baugh and Supervisor Steve Morgan as Members; and (2) reappoint Supervisor Leonard Moty as the Alternate.

**No General Fund Impact**

**Simple Majority Vote**

**C 4 Support Services-Personnel**

Adopt two resolutions which formally notifies the California Public Employees' Retirement System (CalPERS) of the County of Shasta's desire to obtain for its employees and annuitants who are members of the Non-PERS Elected Department Head and Non-PERS Board of Supervisors groups, the benefit of the Public Employee's Medical and Hospital Care Act (Act) and to accept the liabilities and obligations of an employer under the Act.

**No Additional General Fund Impact**

**Simple Majority Vote**

**C 5 Support Services-Personnel**

Adopt a salary resolution, effective February 4, 2018, which adds 1.0 Full Time Equivalent Staff Services Analyst I/II position in the Housing and Community Action Program budget.

**No Additional General Fund Impact**

**Simple Majority Vote**

**HEALTH AND HUMAN SERVICES**

**C 6 Health and Human Services Agency-Adult Services**

Take the following actions: (1) Approve and authorize the Chairman to sign: (a) a retroactive revenue agreement, #17-94162, with California Department of Health Care Services in an amount not to exceed \$4,343,931 to provide substance abuse prevention and treatment services for the period July 1, 2017 through June 30, 2020; (b) the Certification Regarding Lobbying; (c) the California Civil Rights Laws Certification; and (d) the Contractor Certification Clauses Form; and (2) approve and authorize the Director of the Health and Human Services Agency (HHSA), or any HHSA Branch Director designated by the HHSA Director, to sign prospective and retroactive amendments to the agreement that result in a change in compensation of no more than \$144,798 per fiscal year and other related documents that do not otherwise result in a substantial or functional change to the intent of the original agreement as long as they comply with *Administrative Policy 6-101, Shasta County Contracts Manual*.

**No Additional General Fund Impact**

**Simple Majority Vote**

**C 7 Health and Human Services Agency-Children's Services**

Approve and authorize the Chairman to sign a retroactive renewal agreement with

the Shasta County Office of Education in an amount not to exceed \$39,268 per fiscal year to provide foster youth education services to eligible youth in foster care or in the Juvenile Rehabilitation Facility for the period July 1, 2017 through June 30, 2020.

**No Additional General Fund Impact                      Simple Majority Vote**

**C 8      Housing and Community Action Programs**

Take the following actions: (1) Approve and authorize the: (a) Chairman to sign a retroactive revenue agreement with the City of Redding in an amount not to exceed \$20,000 to administer Homeless Continuum of Care activities for the period January 1, 2018 through June 30, 2019; and (b) Director of Housing and Community Action Programs to sign the expense reimbursement request and progress reporting forms and anti-lobbying certification required for participation in the program; and (2) approve a budget amendment increasing revenue and appropriations by \$36,000 in the Community Action Agency budget.

**No Additional General Fund Impact                      4/5 Vote**

**C 9      Health and Human Services Agency-Public Health**

Adopt a resolution which designates authorized agents for the purpose of obtaining funding through the Homeland Security Grant Programs for Federal Fiscal Year 2018.

**No Additional General Fund Impact                      Simple Majority Vote**

**C 10      Health and Human Services Agency-Public Health**

Approve and authorize the Chairman to sign an agreement with the Shasta Community Health Center (SCHC) at no compensation to transfer up to 415 boxes of naloxone to SCHC to distribute to individuals at high risk of opioid overdose, their household members, or others at high-risk of opioid overdose for a period of two years effective date of signing.

**No Additional General Fund Impact                      Simple Majority Vote**

**LAW AND JUSTICE**

**C 11      Probation**

**Public Defender**

**Health and Human Services Agency-Business and Support Services**

Take the following actions: (1) Approve and authorize the Chief Probation Officer to sign a retroactive amendment, effective July 1, 2017, to the Proud Parenting Program (Program) revenue grant agreement with the Board of State and Community Corrections increasing the total compensation by \$30,341 (to a new total not to exceed \$149,626) to improve parenting skills and pregnancy health of offenders retaining the end date of June 30, 2018; and (2) approve a budget amendment increasing appropriations by \$20,285 in the Public Defender's budget offset by a commensurate cost-applied revenue amount from Probation's budget to hire an Extra Help Social Worker to help implement the Program.

**No Additional General Fund Impact                      4/5 Vote**

**C 12    Sheriff-Jail**

Approve and authorize the Chairman to sign an agreement with Del Norte County in an amount of not less than \$80 per day per inmate (total compensation not to exceed \$400,000) to house Shasta County inmates in the Del Norte County Jail Facilities from the date of signing through February 28, 2020, with two automatic one-year renewals.

**No Additional General Fund Impact                      Simple Majority Vote**

**PUBLIC WORKS**

**C 13    Public Works**

Approve and authorize the Public Works Director to sign a Notice of Completion for the "Jail Boiler Replacement," Contract No. 610460, and record it within 15 days of actual completion of the work.

**No Additional General Fund Impact                      Simple Majority Vote**

**SHASTA COUNTY WATER AGENCY**

**The Shasta County Board of Supervisors does not receive any additional compensation or stipend for acting as the Shasta County Water Agency.**

No Items

**REGULAR CALENDAR, CONTINUED**

**GENERAL GOVERNMENT**

**R 2    Administrative Office**

(1) Receive a legislative update and consider action on specific legislation related to Shasta County's legislative platform; and (2) receive Supervisors' reports on countywide issues.

**No General Fund Impact                                      No Vote**

**SCHEDULED HEARINGS**

A court challenge to action taken by the Board of Supervisors on any project or decision may be limited to only those issues raised during the public hearing or in written correspondence delivered to the Board of Supervisors during, or prior to, the scheduled public hearing.

**HEALTH AND HUMAN SERVICES**

**R 3    Housing and Community Action Programs**

Take the following actions regarding the Community Development Block Grant Program Income Reuse: (1) Conduct a public hearing; (2) close the public hearing;

and (3) provide direction to staff based on public comments.

**No Additional General Fund Impact**

**Simple Majority Vote**

**CLOSED SESSION ANNOUNCEMENT**

**R 4     The Board of Supervisors will recess to a Closed Session to discuss the following item (Est. 1 hour):**

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

(Government Code section 54956.9, subdivision (d), paragraph (1)):

Names of Cases:     Conservatorship of Lee C.

County of Tehama, et al. v. Betty Yee, et al.

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

(Government Code section 54956.9, subdivision (d), paragraph (4)):

Initiation of Litigation: One potential case

At the conclusion of the Closed Session, reportable action, if any, will be reported in Open Session.

**RECESS**

**REPORT OF CLOSED SESSION ACTIONS**

**ADJOURN**

**REMINDERS**

Date:	Time:	Event:	Location:
2/1/2018	2:00 p.m.	Airport Land Use Commission Meeting	Board Chambers
2/6/2018	8:30 a.m.	Air Pollution Control Board Meeting	Board Chambers
2/6/2018	9:00 a.m.	Board of Supervisors Meeting	Board Chambers
2/7/2018	6:00 p.m.	Public Safety Workshop	Board Chambers
2/8/2018	2:00 p.m.	Planning Commission Meeting	Board Chambers
2/12/2018		<b>HOLIDAY- OFFICES CLOSED</b>	
2/13/2018		<b>Board of Supervisors Meeting Canceled</b>	
2/19/2018		<b>HOLIDAY- OFFICES CLOSED</b>	
2/20/2018		<b>Board of Supervisors Meeting Canceled</b>	
2/27/2018	9:00 a.m.	Board of Supervisors Meeting	Board

**COMMUNICATIONS** received by the Board of Supervisors are on file and available for review in the Clerk of the Board's Office.

**The County of Shasta does not discriminate on the basis of disability in admission to, access to, or operation of its buildings, facilities, programs, services, or activities. The County does not discriminate on the basis of disability in its hiring or employment practices. Questions, complaints, or requests for additional information regarding the Americans with Disabilities Act (ADA) may be forwarded to the County's ADA Coordinator: Director of Support Services Angela Davis, County of Shasta, 1450 Court Street, Room 348, Redding, CA 96001-1676, Phone: (530) 225-5515, California Relay Service: (800) 735-2922, Fax: (530) 225-5345, E-mail: [adacoordinator@co.shasta.ca.us](mailto:adacoordinator@co.shasta.ca.us). Individuals with disabilities who need auxiliary aids and/or services for effective communication in the County's programs and services are invited to make their needs and preferences known to the affected department or the ADA Coordinator. For aids or services needed for effective communication during Board of Supervisors meetings, please call Clerk of the Board (530) 225-5550 two business days before the meeting. This notice is available in accessible alternate formats from the affected department or the ADA Coordinator. Accommodations may include, but are not limited to, interpreters, assistive listening devices, accessible seating, or documentation in an alternate format.**

The Board of Supervisors meetings are viewable on Shasta County's website at [www.co.shasta.ca.us](http://www.co.shasta.ca.us).

Public records which relate to any of the matters on this agenda (except Closed Session items), and which have been distributed to the members of the Board, are available for public inspection at the office of the Clerk of the Board of Supervisors, 1450 Court Street, Suite 308B, Redding, CA 96001-1673.

This document and other Board of Supervisors documents are available online at [www.co.shasta.ca.us](http://www.co.shasta.ca.us).

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** BOARD MATTERS-1.

**SUBJECT:**

Receive a report on agritourism and provide direction to staff.

**DEPARTMENT:** Board Matters

**Supervisory District No. :** ALL

**DEPARTMENT CONTACT:** Richard W. Simon, Director of Resource Management 225-5789

**STAFF REPORT APPROVED BY:** Richard W. Simon, Director of Resource Management

Vote Required?	General Fund Impact?
Simple Majority Vote	General Fund Impact

**RECOMMENDATION**

Take the following actions: (1) Receive a report on agritourism in Shasta County from Resource Management Director Richard Simon; and (2) provide direction to staff regarding development of a County-wide agritourism ordinance.

**SUMMARY**

N/A

**DISCUSSION**

Supervisors Rickert and Baugh have suggested that it may be appropriate to expand the County's agritourism provisions at this time and consolidate them into a single ordinance that addresses the allowed uses and establishes appropriate permitting requirements and performance standards. Agriculture has always been a foundation of the Shasta County economy and way of life. According to the 2016 Shasta County Crop Report, published by the Agricultural Commissioner's Office, there are almost 500,000 acres in field crop production at an annual value of about \$33 Million, the livestock industry brought in about \$21 Million, nursery stock was valued at about \$14 Million, apiary products at about \$9 Million, fruit and nuts at about \$4 Million and timber and forest products at \$47 Million. In developing an agritourism ordinance, the County should consider the importance of agriculture and seek a balance between expanded opportunity and preservation of agricultural productivity and values. This report provides background on the current County provisions, the issues to be considered and addressed in an ordinance, and options going forward.

Current Shasta County Code: In Shasta County, Agriculture includes by definition the production of food and fiber in dry fields, irrigated pastures, and greenhouses, as cultivated crops, mushroom farms and aquaculture. It includes livestock, farming, dairying, beekeeping and other animal husbandry. The County Zoning Code makes a distinction between full-time and part-time agricultural operations, but some form of Agriculture is allowed in most Shasta County zoning districts. Agriculture does not include Agricultural Processing, defined as the act of converting or changing an agricultural product from its natural state to a different form, such as grapes to wine, olives to oil, apples to juice, nut hulling and fruit dehydration.

For many years now there has been a trend throughout the U.S. and California toward diversifying agricultural operations with supplemental economic activities designed to increase the long-term viability of agriculture as the primary land use. The Shasta County Code accommodates many such activities in its current zoning plan. For example:

- Agriculture, as defined, includes cleaning, sizing, grading, packing and similar activities to prepare crops that are grown on the premises for shipping and sale.
- Operators can store harvested products and planting stock onsite.
- Operators can establish seasonal stands for sale and promotion of crops and animals grown onsite. Other uses allowed on agricultural lands include
  - dude ranch
  - bed and breakfast inn
  - riding stable or riding academy
  - fishing and hunting clubs and lodges
  - wineries with tasting facilities, onsite sales and in some cases special events
- Additionally, through the process of rezoning lands to Planned Development or Commercial Recreation, some operations have expanded the limits of the current zoning provisions by adding seasonal amusement activities, excursions and horseback tours, overnight accommodations and restaurants to the existing primary agricultural use, allowing such operations to offer a more inclusive destination experience.

In discussions with local agriculturalists, there is a desire for the County Code to acknowledge and allow other contemporary trends in agricultural marketing such as Community Supported Agriculture (CSA), agricultural cooperatives, and certified farmers' markets; to consider a tiered approach to agricultural processing, whereby some processing may be allowed with a zoning permit or administrative permit (similar to the permit structure for wineries); and to allow additional agriculture-related tourism and educational opportunities on ranches and farms.

Issues to Consider: One purpose of this report is to determine whether there is consensus from the Board to move forward with developing an agritourism ordinance at this time, and if there is, to seek direction related to some of the issues and options identified below.

- There is a national and state-wide trend toward bringing tourists into agricultural operations for education and tourism. Shasta County's natural landscapes and productive agricultural lands may be very desirable for outdoor gatherings and tourism.
- Shasta County contains a lot of productive growing and grazing land in both large- and small-scale operations that may be affected by new agritourism policies.
- The non-agricultural lands around these operations may also be affected.
- Should agritourism in Shasta County be limited to activities directly associated with the agricultural operation onsite, or should there be broader opportunity for things like guest lodges, amusement park rides or special events?
- Should the County Winery Ordinance be used as a model for agritourism with tiered permitting based on intensity of use, parcel size and zoning?
- Should agritourism be limited to full-time agricultural zones and operations or should some level of agritourism be allowed in all agricultural and resource zones? What about Rural and Limited Residential zones that also allow agriculture?
- Some concerns that will need to be addressed include:
  - Compatibility with agricultural operations and non-agricultural use of adjacent and nearby properties related to traffic, noise, nighttime lighting, etc.;
  - Sufficiency of roadways and the availability of emergency services in rural parts of the County; Sufficiency of water and wastewater systems;
  - Need for limits on agritourism activity (size of gatherings, times per year, hours per day, etc.) to ensure that the agritourism activity is not adverse to the primary agricultural production onsite and on adjacent agricultural lands;
  - Performance and operational standards to ensure long-term compatibility and compliance;
  - Application of other codes such as health and safety, commercial building and fire safety codes.

Options Going Forward: The following options make a distinction between those changes that are in line and consistent with the County's current General Plan and Zoning Code related to agricultural uses (option 1) and those changes that represent an expansion of potential uses that go beyond current agricultural policies and zoning and would warrant more analysis and

community input (option 2). These options are not mutually exclusive, but would progress on substantially different timelines and costs, with option 1 estimated at six months and the standard rezone cost of \$10,000 and option 2 at 12 months and likely upwards of \$20,000 with more staff work and more community meetings or workshops required.

1. It would be relatively straight forward for staff to focus on those parts of the General Plan and Zoning Code that are directly related to agriculture and, with assistance from the Agricultural Commissioner, Cooperative Extension, develop draft revisions that would address the following revisions, among other similar changes:

- Introduce a tiered permit structure for agricultural processing of products grown on site (e.g., olives to oil, mint to oil, nut hulling) similar to the County's winery regulations.
- Address and allow for Community Supported Agriculture, agricultural cooperatives, buying clubs, community gardens, farmers' markets, etc.
- Address and allow cottage food production, limited farm stays, and educational activities on most agricultural and resource lands.
- Make the appropriate changes within the existing zoning code with an informational handout summarizing the agritourism provisions for easy public reference.

2. Undertake a longer term investigation and comprehensive amendment that would include the items in #1 above, but would also address standards and conditions applicable to agritourism activities that are larger-scale, more commercially intensive, more permanent and less directly related to agriculture, such as special events, lodges, and amusements. I would anticipate the level of analysis and public debate would be considerably higher with this option.

## **ALTERNATIVES**

The Board could choose not to undertake the agritourism ordinance at this time; could choose among the options presented above and direct staff to proceed; direct staff to undertake a different option; or ask for additional information.

## **OTHER AGENCY INVOLVEMENT**

The County Administrative Office has reviewed this recommendation. Should the Board direct staff to proceed, Planning would coordinate with the Cooperative Extension, Agricultural Commissioner and industry representatives to develop the requested changes.

## **FINANCING**

The cost of a standard rezone is estimated at \$10,000, and would allow staff to proceed with Option 1 or similar option. Option 2, or a similar undertaking, would likely cost at least \$20,000 due to additional staff and resource commitment and public workshops. There are no General Fund dollars allocated at this time.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - General Government-1.

**SUBJECT:**

Claims List

**DEPARTMENT:** Auditor-Controller

**Supervisory District No. :** ALL

**DEPARTMENT CONTACT:** Brian Muir, Auditor-Controller, (530) 225-5541

**STAFF REPORT APPROVED BY:** Brian Muir, Auditor-Controller

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	General Fund Impact

**RECOMMENDATION**

Approve and authorize the Chairman to sign the County claims list in the amount of \$51.70, as submitted.

**SUMMARY**

**DISCUSSION**

**ALTERNATIVES**

**OTHER AGENCY INVOLVEMENT**

**FINANCING**

**ATTACHMENTS:**

Description	Upload Date	Description
Board List Attachment	1/23/2018	Board List Attachment


ORIGINAL

COUNTY OF SHASTA  
OFFICE OF AUDITOR-CONTROLLER  
REPORT OF CLAIMS REQUIRING BOARD ACTION IN ORDER TO  
AUTHORIZE PAYMENT BY AUDITOR-CONTROLLER  
1/30/2017

FUND/DEPT/ACCT	DEPARTMENT	PAYEE	DESCRIPTION	Amount	REASON	DEPARTMENT'S EXPLANATION
59000 034900	HOUSING	RECORD SEARCHLIGHT INC	LEGAL NOTICE	\$ 27.20	Per Admin Policy 2-201 and Gov Code sections 910 and 911.2 invoices older than one year require Board approval.	SEE ATTACHED MEMO FROM DEPARTMENT
59000 034900	HOUSING	RECORD SEARCHLIGHT INC	LEGAL NOTICE	\$ 24.50	Per Admin Policy 2-201 and Gov Code sections 910 and 911.2 invoices older than one year require Board approval.	SEE ATTACHED MEMO FROM DEPARTMENT
	TOTAL			\$ 51.70		

**Auditor's Certification:**

I certify that the foregoing is a true list of claims properly and  
regularly coming before the Shasta County Board of Supervisors,  
and that the computations are correct.

Date: 1/22/18 Signature: 



**Approval of Claims:**

These claims were allowed and the Claims List was approved as correct, by vote  
of the Board of Supervisors on this date.

Date: \_\_\_\_\_

Chairman  
Board of Supervisors  
County of Shasta  
State of California



## Housing and Community Action Programs

1450 Court Street, Suite 108  
Redding, CA 96001-1661  
Phone: (530) 225-5160  
Fax: (530) 225-5178

Laura Burch, Director  
Housing Authority  
Community Action Agency

### MEMORANDUM

TO: Brian Muir  
Auditor-Controller

FROM: Laura Burch, Director of Housing & Community Action Programs

RE: Invoices

DATE: January 12, 2018

*Chubey* 1-16-18

Please find attached two invoices that are more than one year old for public notices placed in the Record Searchlight. Our department has researched the claims and were unable to verify that they were originally received by our office. Staff has further researched the claims and verified that they remain unpaid. The services have been confirmed and the department is requesting payment. The invoices listed below are over one year and must be approved by the Board of Supervisors for payment, per Admin Policy 2-101 Government Code 910 and 911.2.

Order No: 1314876	10/18/16	Community Action Board Public Notice	\$27.20
Order No: 1393704	12/08/16	Community Action Board Public Notice	\$24.50



# Record Searchlight

redding.com

1101 TWIN VIEW BLVD. | REDDING, CA 96003

&gt; Advertising Invoice/Statement

Page # 1

## &gt; Account Information

Account Executive      Advertising Department  
(R3103)  
Phone                      530-225-8262  
Email                      vercoe@redding.com

Account Name  
SHASTA COUNTY DEPT OF HOUSING

Questions: 800-695-1927.  
redding@ccc.gannett.com

## &gt; Account Overview

> Account Overview					Amount Due	\$113.86	Due Date	1/30/2017	
Account Number		553989			Billing Period	12/1/2016 - 12/31/2016			
Current	24.50	1 - 30	0.00	31 - 60	27.20	61 - 90	0.00	OVER 90	62.16

Bill To                      SHASTA COUNTY DEPT OF HOUSING  
1450 COURT ST STE 108  
REDDING CA 96001  
US

## &gt; Item Details

Published	Order No. P.O. No.	Description/Tag Line	Trans Type	Section Location	Start Date Times Run	Ad Size Qty	Net Amount
		PREVIOUS BALANCE					89.36
12/08/16	1393704 PO Torri Cardilino	RR-Internet-redding.com	Online			2X1.75	0.00
		Public Notice NOTICE IS HEREBY					
12/08/16	1393704 PO Torri Cardilino	RR-Record Searchlight	Class Other			2X1.75	24.50
		Public Notice NOTICE IS HEREBY					

## &gt; Your Payment Information

Please detach and submit with your payment

Bill To: SHASTA COUNTY DEPT OF HOUSING 1450 COURT ST STE 108 REDDING CA 96001 US

Account Number: 553989

CURRENT	1 - 30	31 - 60	61 - 90	OVER 90	PREVIOUS BALANCE	CURRENT CHARGES	ADJUSTMENTS	FINANCE CHARGES	PAYMENTS	AMOUNT DUE	AMOUNT PAID
24.50	0.00	27.20	0.00	62.16	89.36	24.50	0.00	0.00	0.00	113.86	\$

Change of Address? Email: redding@ccc.gannett.com

Your account is 120 days past due. Please contact our credit department immediately.  
SEM Customers: Charges for Search Engine Marketing include click costs as well as fees  
for account set-up, management and optimizations.

Remit      Redding Record Searchlight  
To:        PO Box 52172  
            Phoenix, AZ 85072-2172

Please send payments only to remittance address. Direct all other  
correspondence to Customer Service at redding@ccc.gannett.com or  
800-695-1927. We do not refund credit balances of \$5 or less.

18000055398912311600001138600000024500000000000000002720000000621600000000006

**REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS**

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - General Government-2.

**SUBJECT:**

Second Amendment to Williams Agreement

**DEPARTMENT:** Administrative Office

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Elaine Grossman, Senior Administrative Analyst (530) 225-5561

**STAFF REPORT APPROVED BY:** Lawrence G. Lees, County Executive Officer

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Approve and authorize the Chairman to sign a retroactive amendment, effective January 1, 2018, to the agreement with The Law Office of Aaron Williams, Inc. to add a provision for a one-time payment of \$145,668.29 to provide conflict indigent defense services for cases outstanding as of January 1, 2018.

**SUMMARY**

N/A

**DISCUSSION**

The Law Office of Aaron Williams, Inc. is a new contractor for conflict indigent defense services. There are some additional court cases that existed prior to January 1, 2018 and the amendment will address that those cases will be addressed under the Williams agreement and provide payment for those additional services.

**ALTERNATIVES**

The Board could choose not to approve the amendment.

**OTHER AGENCY INVOLVEMENT**

County Counsel approved the amendment as to form.

**FINANCING**

There is currently sufficient funding in the Conflict Public Defender budget (20300); therefore, there is no additional General Fund impact.

ATTACHMENTS:

Description	Upload Date	Description
Williams Second Amendment	1/22/2018	Williams Second Amendment

**SECOND AMENDMENT TO THE PERSONAL SERVICES AGREEMENT  
BETWEEN THE COUNTY OF SHASTA AND  
THE LAW OFFICE OF AARON WILLIAMS, INC.**

This Second Amendment is entered into between the County of Shasta, a political subdivision of the State of California, ("County") and The Law Office of Aaron Williams, Inc. ("Contractor").

RECITALS

WHEREAS, County and Contractor have previously entered into an agreement which commenced on January 1, 2018 for the purpose of providing conflict indigent defense services ( the "Original Agreement"); and

WHEREAS, County and Contractor amended the Agreement effective January 1, 2018, (the "First Amendment") in order to reflect the modification of sole proprietorship to corporation status, while maintaining the same terms and conditions of the current agreement; and

WHEREAS, the Original Agreement and the First Amendment shall collectively be referred to as the "Agreement"; and

WHEREAS, County and Contractor desire to amend the Agreement to provide that Contractor will provide conflict indigent defense legal services for all cases pending as of the effective date of this amendment in exchange for a payment of \$145,668.29.

NOW, THEREFORE, the Agreement is amended as follows:

I. Subsection T. is added to Section 1., "RESPONSIBILITIES OF CONTRACTOR," to read in its entirety as follows:

T. Contractor shall, in addition to the other responsibilities set forth in this agreement, provide the conflict indigent defense legal services provided for in this agreement for all cases outstanding as of January 1, 2018, which are appointed to Contractor or its subcontractors. Such services shall be provided under the same terms and conditions as apply to all other services provided for in this agreement. Contractor shall indemnify County for any claims for payment from County for services provided on cases for by attorneys not under contract with Contractor. Contractor shall not be responsible for processing claims for payment of investigator costs or costs of ancillary services incurred by attorneys not under contract with Contractor.

II. Subsection A.6, is added to Section 3 entitled, "COMPENSATION", to read as in its entirety as follows:

6. By noon on March 8, 2018, the sum of \$145,668.29.

III. **REAFFIRMATION**

In all other respects, the Agreement, as amended, and any attachments, remains in full force and effect.

IV. **ENTIRE AGREEMENT**

The Agreement, as amended by this Second Amendment, constitutes the entire understanding between County and Contractor.

V. **EFFECTIVE DATE**

Unless otherwise provided, this Second Amendment shall be deemed effective as of January 1, 2018.

***SIGNATURE PAGE FOLLOWS***

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment of the Agreement. By their signatures below, each signatory represents that he/she has the authority to execute this Second Amendment and to bind the party on whose behalf his/her execution is made.

**COUNTY OF SHASTA**

\_\_\_\_\_  
Date

\_\_\_\_\_  
LES BAUGH, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

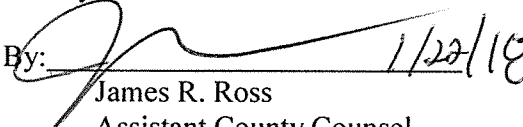
ATTEST:

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

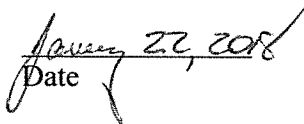
By: \_\_\_\_\_  
Deputy

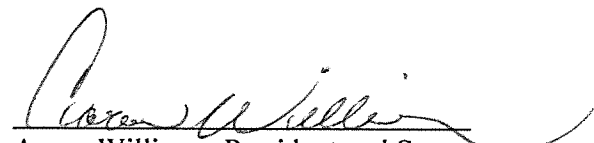
Approved as to form:

RUBIN E. CRUSE, JR.  
County Counsel

By:  1/22/18  
James R. Ross  
Assistant County Counsel

**CONTRACTOR**

  
Date

  
Aaron Williams, President and Secretary  
The Law Office of Aaron Williams, Inc.

Tax ID: 82-3632399

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - General Government-3.

**SUBJECT:**

Airport Land Use Commission Appointments

**DEPARTMENT:** Clerk of the Board

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Mary Williams, Chief Deputy Clerk of the Board, 530-225-5560

**STAFF REPORT APPROVED BY:** Mary Williams, Chief Deputy Clerk of the Board

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	No General Fund Impact

**RECOMMENDATION**

Take the following actions regarding the 2018 calendar year Airport Land Use Commission: (1) Reappoint Supervisor Les Baugh and Supervisor Steve Morgan as Members; and (2) reappoint Supervisor Leonard Moty as the Alternate.

**SUMMARY**

N/A

**DISCUSSION**

Annually the Board considers appointments to other agencies' boards as invited, requested, or as a membership requirement. Should the Board choose to approve today's recommendations, the appointments would be consistent with those in 2017 for this agency's board.

**ALTERNATIVES**

The Board could choose to make different appointments or defer consideration to a future date.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office reviewed the recommendation.

**FINANCING**

There is no General Fund impact associated with approval of the recommendation.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - General Government-4.

**SUBJECT:**

Approval of Shasta County health resolutions required by the California Public Employees Retirement System (CalPERS)

**DEPARTMENT:** Support Services-Personnel

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Angela Davis, Director of Support Services, (530) 225-5515

**STAFF REPORT APPROVED BY:** Angela Davis, Director of Support Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Adopt two resolutions which formally notifies the California Public Employees' Retirement System (CalPERS) of the County of Shasta's desire to obtain for its employees and annuitants who are members of the Non-PERS Elected Department Head and Non-PERS Board of Supervisors groups, the benefit of the Public Employee's Medical and Hospital Care Act (Act) and to accept the liabilities and obligations of an employer under the Act.

**SUMMARY**

N/A

**DISCUSSION**

CalPERS requires resolutions which stipulate contributions that the County is making on behalf of active and retired employees. CalPERS requires the two resolution in order to address employees who choose not to enroll in CalPERS but enroll in medical benefits, of which will be identified as Non-PERS Elected Department Heads and Non-PERS Board of Supervisor groups.

The resolutions will notify CalPERS of these groups in order to provide a correct record for active and retired employees. The resolutions are in the CalPERS required format. This action does not change any previously approved benefit level. The resolutions will be submitted to CalPERS upon signing, which will ensure that CalPERS administers the appropriate contributions. The Public Employees' Medical and Hospital Care Act (PEMHCA), Government Code section 22892 (c), determines the County's contribution level for retirees and requires "specified and equal contributions towards premium costs for active employees and annuitants". Per Government Code section 22892, the County must contribute an equal amount towards a retiree's health premium as it contributes towards an active employee's health premium.

**ALTERNATIVES**

The Board may choose to not approve the recommendation or make modifications in whole or in a part to the resolutions. This is not recommended as the resolutions are in the format required by CalPERS.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office and the Auditor’s Office have reviewed the recommendation. The resolutions have been prepared by the Department of Support Services.

**FINANCING**

The cost of group health contributions by the County are included in the Fiscal Year 2017/18 budget.

cc: Larry Lees, County Executive Officer  
Terri Howat, County Chief Financial Officer  
Brian Muir, Auditor-Controller

**ATTACHMENTS:**

Description	Upload Date	Description
CalPERS Resolution - Board of Supervisors	1/22/2018	CalPERS Resolution - Board of Supervisors
CalPERS Resolution - Elected Department Heads	1/22/2018	CalPERS Resolution - Elected Department Heads

**RESOLUTION NO.**  
**ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**  
**AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS**  
**WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION**  
**NON-PERS BOARD OF SUPERVISORS**

- WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) **County of Shasta** is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and
- WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (4) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- WHEREAS, (5) **County of Shasta** desires to obtain for its employees and annuitants who are members of **Non-PERS Board of Supervisors** the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it
- RESOLVED, (a) **County of Shasta** elects to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **the PEMHCA Minimum** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (c) **County of Shasta** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (d) That the participation of the employees and annuitants of **County of Shasta** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **County of Shasta** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

- RESOLVED, (e) That the executive body appoint and direct, and it does hereby appoint and direct, Angela Davis, Director of Support Services to file with the Board a verified copy of this resolution, and to perform on behalf of **County of Shasta** all functions required of it under the Act; and be it further
- RESOLVED, (f) That coverage under the Act be effective on March 1, 2018.

Adopted at a regular meeting of the County of Shasta Board of Supervisors at Redding, this 30th day of January, 2018.

Signed: \_\_\_\_\_  
Les Baugh, Chairman  
Board of Supervisors  
County of Shasta  
State of California

Attest: \_\_\_\_\_  
Lawrence G. Lees  
Clerk of the Board Supervisors

**INSTRUCTIONS**

This resolution form is the approved form designated by the California Public Employees' Retirement System (CalPERS). It should be used by a contracting agency for the purpose of electing to be subject to Public Employees' Medical and Hospital Care Act (PEMHCA) and to fix the monthly employer health contribution for employees and annuitants in accordance with Government Code Section 22892.

If the resolution is filed **on or before the tenth day of any month, it will be effective on the first of the following month** (date stamped as received by CalPERS; See address below).

WHEREAS, (2) should be completed with full name of the contracting agency.

WHEREAS, (5) should be completed with full name of the contracting agency and recognized employee organization.

RESOLVED, (a) should be completed with full name of the contracting agency.

RESOLVED, (b) should be completed to specify medical groups and the amount of the employer contribution toward the cost of enrollment for active employees and annuitants. The amount specified must be an amount equal to or greater than that prescribed by Section 22892(b).

Commencing January 1, 2009, the employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar.

RESOLVED, (c) should be completed with full name of the contracting agency.

RESOLVED, (d) should be completed with full name of the contracting agency.

RESOLVED, (e) requests the position title of the individual who handles the PEMHCA resolution for the contracting agency.

RESOLVED, (e) should be completed with full name of the contracting agency.

RESOLVED, (f) should be completed with the date the coverage is to become effective.

**For resolution processing, deliver to the following:**

**Overnight Mail Service**

California Public Employees' Retirement System  
Health Resolution & Compliance Services, HAMD  
400 Q Street  
Sacramento, CA 95811

**Regular Mail**

California Public Employees' Retirement System  
Health Resolution & Compliance Services, HAMD  
PO BOX 942714  
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

**RESOLUTION NO.**  
**ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**  
**AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS**  
**WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION**  
**NON-PERS ELECTED DEPARTMENT HEADS**

- WHEREAS, (1) A contracting agency meeting the eligibility requirements set forth in Government Code Section 22920, may obtain health benefit plan(s), as defined under Government Code Section 22777, by submitting a resolution to the Board of Administration of the California Public Employees' Retirement System (the "Board"), and upon approval of such resolution by the Board, become subject to the Public Employees' Medical and Hospital Care Act (the "Act"); and
- WHEREAS, (2) **County of Shasta** is a contracting agency eligible to be subject to the Act under Government Code Section 22920; and
- WHEREAS, (3) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (4) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- WHEREAS, (5) **County of Shasta** desires to obtain for its employees and annuitants who are members of **Non-PERS Elected Department Heads** the benefit of the Act and to accept the liabilities and obligations of an employer under the Act; now, therefore, be it
- RESOLVED, (a) **County of Shasta** elects to be subject to the provisions of the Act; and be it further
- RESOLVED, (b) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **the PEMHCA Minimum** per month, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (c) **County of Shasta** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (d) That the participation of the employees and annuitants of **County of Shasta** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **County of Shasta** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.

- RESOLVED, (e) That the executive body appoint and direct, and it does hereby appoint and direct, Angela Davis, Director of Support Services to file with the Board a verified copy of this resolution, and to perform on behalf of **County of Shasta** all functions required of it under the Act; and be it further
- RESOLVED, (f) That coverage under the Act be effective on March 1, 2018.

Adopted at a regular meeting of the County of Shasta Board of Supervisors at Redding, this 30th day of January, 2018.

Signed: \_\_\_\_\_  
Les Baugh, Chairman  
Board of Supervisors  
County of Shasta  
State of California

Attest: \_\_\_\_\_  
Lawrence G. Lees  
Clerk of the Board Supervisors

**INSTRUCTIONS**

This resolution form is the approved form designated by the California Public Employees' Retirement System (CalPERS). It should be used by a contracting agency for the purpose of electing to be subject to Public Employees' Medical and Hospital Care Act (PEMHCA) and to fix the monthly employer health contribution for employees and annuitants in accordance with Government Code Section 22892.

If the resolution is filed **on or before the tenth day of any month, it will be effective on the first of the following month** (date stamped as received by CalPERS; See address below).

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Commencing January 1, 2009, the employer contribution shall be adjusted annually by the Board to reflect any change in the medical component of the Consumer Price Index, and shall be rounded to the nearest dollar.

RESOLVED, (c) should be completed with full name of the contracting agency.

RESOLVED, (d) should be completed with full name of the contracting agency.

RESOLVED, (e) requests the position title of the individual who handles the PEMHCA resolution for the contracting agency.

RESOLVED, (e) should be completed with full name of the contracting agency.

RESOLVED, (f) should be completed with the date the coverage is to become effective.

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California Public Employees' Retirement System  
Health Resolution & Compliance Services, HAMD  
400 Q Street  
Sacramento, CA 95811

**Regular Mail**

California Public Employees' Retirement System  
Health Resolution & Compliance Services, HAMD  
PO BOX 942714  
Sacramento, CA 94229-2714

The certification shown following the resolution is to be completed by those individuals authorized to sign for the contracting agency in legal actions and is to include the name of the executive body; i.e. Board of Directors, Board of Trustees, etc., the location and the date of signing.

**REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS**

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - General Government-5.

**SUBJECT:**

Salary resolution which amends the Shasta County Position Allocation List.

**DEPARTMENT:** Support Services-Personnel

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Angela Davis, Director of Support Services, 530-225-5515

**STAFF REPORT APPROVED BY:** Angela Davis, Director of Support Services

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Adopt a salary resolution, effective February 4, 2018, which adds 1.0 Full Time Equivalent Staff Services Analyst I/II position in the Housing and Community Action Program budget.

**SUMMARY**

N/A

**DISCUSSION**

Due to increased business needs the department requires the addition of a Staff Services Analyst I/II.

**ALTERNATIVES**

The Board may choose to not approve the recommendation.

**OTHER AGENCY INVOLVEMENT**

This recommendation has been reviewed and has the concurrence of the Director of Housing/Community Action Programs and the Director of Support Services. This recommendation has been reviewed by the County Administrative Office.

**FINANCING**

Funding for this position will be absorbed by the department's budget.

cc: Larry Lees, County Executive Officer  
Julie Hope, Principal Administrative Analyst

BOARD OF SUPERVISORS REGULAR MEETING - January 30, 2018

Laura Burch, Director of Housing/Community Action Programs  
Shelley Forbes, Assistant Director of Support Services  
Kari Hallstrom, Personnel Analyst II  
Melissa Merritt, Agency Staff Services Analyst II-Conf  
Melissa Mansfield, Personnel Assistant-Conf  
Linda Mekelburg, Personnel Assistant-Conf

ATTACHMENTS:

Description	Upload Date	Description
Salary Resolution	1/22/2018	Salary Resolution

**SALARY RESOLUTION NO.****A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SHASTA  
AMENDING THE SHASTA COUNTY POSITION ALLOCATION LIST**

**BE IT RESOLVED** that effective February 4, 2018, the following amendment is made to the Shasta County Position Allocation List for positions in County service:

**HOUSING & COMM ACTION PROGRAM – Cost Center 543**

<u>Footnotes</u>	<u>Classification Title</u>	<u>No. of Positions</u>	<u>FTE</u>	<u>Unique Position Number</u>	<u>Schedule</u>	<u>Range</u>	<u>Approx. Monthly A Step</u>	<u>Equiv. Salary F Step</u>
<b><u>ADD</u></b>								
60	Staff Services Analyst I or	1	1.0		UPEC	425	3145	4015
60	Staff Services Analyst II				UPEC	455	3641	4648

**DULY PASSED AND ADOPTED** this 30<sup>th</sup> day of January, 2018 by the Board of Supervisors of the County of Shasta by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  
RECUSE:

\_\_\_\_\_  
LES BAUGH, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

ATTEST:

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

By \_\_\_\_\_  
Deputy

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Health and Human Services-6.

**SUBJECT:**

Agreement with the State of California Department of Health Care Services for Substance Abuse Prevention and Treatment Services

**DEPARTMENT:** Health and Human Services Agency-Adult Services

**Supervisory District No. :** ALL

**DEPARTMENT CONTACT:** Dean True, Branch Director, HHSA Adult Services, (530) 225-5900

**STAFF REPORT APPROVED BY:** Dean True, Branch Director, HHSA Adult Services

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Take the following actions: (1) Approve and authorize the Chairman to sign: (a) a retroactive revenue agreement, #17-94162, with California Department of Health Care Services in an amount not to exceed \$4,343,931 to provide substance abuse prevention and treatment services for the period July 1, 2017 through June 30, 2020; (b) the Certification Regarding Lobbying; (c) the California Civil Rights Laws Certification; and (d) the Contractor Certification Clauses Form; and (2) approve and authorize the Director of the Health and Human Services Agency (HHSA), or any HHSA Branch Director designated by the HHSA Director, to sign prospective and retroactive amendments to the agreement that result in a change in compensation of no more than \$144,798 per fiscal year and other related documents that do not otherwise result in a substantial or functional change to the intent of the original agreement as long as they comply with *Administrative Policy 6-101, Shasta County Contracts Manual*.

**SUMMARY**

Approval of this agreement assures Shasta County will continue to receive federal and state funds designated for the provision of substance abuse prevention and treatment services from fiscal year (FY) 2017-18 through FY 2019-20.

**DISCUSSION**

From FY 1998-99 through FY 2016-17, Shasta County has entered into consecutive multi-year agreements with the State of California for the delivery of substance abuse prevention and treatment services as part of the Mental Health Substance Use Disorder (SUD) services agreement. This agreement with the California Department of Health Care Services, is the mechanism by which the County receives Federal Block Grant funds for the delivery of substance abuse prevention and treatment services. This agreement is a renewal, and will allow HHSA to continue to claim federal matching funds for local dollars invested in drug and alcohol treatment, including treatment for opiate addiction.

The amount payable through this agreement is \$1,447,977 per fiscal year for a maximum of \$4,343,931 for the entire term of the agreement. As the total allocation in each fiscal year is based on preliminary estimates, amendments to the agreement will be

developed by the State following adoption of each fiscal year’s State budget. Extending limited signature authority to HHSA Director for amendments will allow for flexibility and process efficiencies.

**ALTERNATIVES**

The Board could choose not to approve the agreement or defer consideration to a future date. This is not recommended as Shasta County uses these funds to provide substance use disorder prevention and treatment services to Shasta County residents.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the agreement as to form. Risk Management and Information Technology have reviewed and approved the agreement. This recommendation has been reviewed by the County Administrative Office.

**FINANCING**

The total amount of funding available to Shasta County under the terms of this agreement is \$4,343,931 payable in the amount of \$1,447,977 per fiscal year. Associated revenue and expenditures are included in the FY 2017-18 Adopted Budget and will be included in future requested budgets. There is no additional General Fund impact from the recommended action

**ATTACHMENTS:**

Description	Upload Date	Description
DHCS SABG Agreement	1/22/2018	DHCS SABG Agreement

BOARD OF SUPERVISORS REGULAR MEETING - January 30, 2018

STATE OF CALIFORNIA

**STANDARD AGREEMENT**

STD 213\_DHCS (Rev. 06/16)

REGISTRATION NUMBER

AGREEMENT NUMBER

17-94162

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

STATE AGENCY'S NAME

(Also known as DHCS, CDHS, DHS or the State)

Department of Health Care Services

CONTRACTOR'S NAME

(Also referred to as Contractor)

County of Shasta

2. The term of this Agreement is: July 1, 2017  
through June 30, 2020

3. The maximum amount of this Agreement is: \$ 4,343,931  
Four Million, Three Hundred Forty-Three Thousand, Nine Hundred Thirty-One Dollars

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

Exhibit A – Scope of Work	2 pages
Exhibit A, Attachment I – Program Specifications	22 pages
Exhibit B – Budget Detail and Payment Provisions	13 pages
Exhibit B, Attachment I – Funding Amounts	1 page
Exhibit C * – General Terms and Conditions	GTC 04/2017
Exhibit D (F) – Special Terms and Conditions	26 pages
Exhibit E – Additional Provisions	3 pages
Exhibit F – Information Security Provisions	28 pages
Exhibit G – Social Security Administration Agreement	101 pages

APPROVED BY FOR  
SHASTA COUNTY COUNSEL

**RISK MANAGEMENT APPROVAL**

BY:

James Johnson

Risk Management Analyst

IT Approved:

Thomas Schreiber, CIO

Alan B. Cox  
Deputy County Counsel

Items shown above with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.  
These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

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

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

County of Shasta

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Les Baugh, Chairman, Board of Supervisors

ADDRESS

2640 Breslauer Way  
Redding, CA 96001

**STATE OF CALIFORNIA**

AGENCY NAME

Department of Health Care Services

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Don Rodriguez, Chief, Contract Management Unit

ADDRESS

1501 Capitol Avenue, Suite 71.2048, MS 1400, P.O. Box 997413,  
Sacramento, CA 95899-7413

California Department of  
General Services Use Only

☒ Exempt per: DGS memo dated  
07/10/96 and Welfare and Institutions  
Code 14087.4

**Exhibit A**  
**Scope of Work****1. Service Overview**

Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein.

DHCS and the Contractor enter into this Contract by authority of Chapter 3 of Part 1, Division 10.5 of the Health and Safety Code (HSC) and with approval of Contractor's County Board of Supervisors (or designee) for the purpose of providing alcohol and other drug prevention, treatment and recovery support services. DHCS and the Contractor identified in the Standard Agreement are the only parties to this Contract. This Contract is not intended, nor shall it be construed, to confer rights on any third party.

DHCS and the Contractor enter into this Contract by authority of Title 45 of the Code of Federal Regulations Part 96 (45 CFR Part 96), Substance Abuse Prevention and Treatment Block Grants (SABG) for the purpose of planning, carrying out, and evaluating SABG authorized activities to prevent and treat substance abuse. SABG recipients must adhere to SAMHSA's National Outcome Measures (NOMs).

The objective is to prevent and treat substance abuse through utilization of Federal SABG funds pursuant to Section 1921 of Title XIX, Part B, Subpart II and III of the Public Health Service (PHS) Act, for services rendered by county operated or county contracted substance use disorder service providers.

**2. Service Location**

The services shall be performed at applicable facilities in the County of Shasta.

**3. Service Hours**

The services shall be provided during the working hours and days as defined by the Contractor.

**4. Project Representatives**

A. The project representatives during the term of this Agreement will be:

<b>Department of Health Care Services</b>	<b>County of Shasta</b>
Contract/Grant Manager: Robert Strom	Donnell Ewert, MPH, Director of Mental Health
Telephone: (916) 327-2696	Telephone: (530) 245-6269
Fax: (916) 322-1176	Fax: (530) 225-5903
Email: Robert.Strom@dhcs.ca.gov	

**Exhibit A**  
Scope of Work

B. Direct all inquiries to:

<b>Department of Health Care Services</b>	<b>County of Shasta</b>
Department of Health Care Services SUD PPFD - PSGMB Attention: Robert Strom Mail Station Code 2624 P.O. Box 997413 Sacramento, CA, 95899-7413  Telephone: (916) 327-2696 Fax: (916) 323-1176 Email: Robert.Strom@dhcs.ca.gov	Shasta Behavioral Health Care Services Attention: Donnell Ewert, MPH, Director of Mental Health  P.O. Box 496005 Redding, CA 96001  Telephone: (530) 245-6269 Fax: (530) 225-5903

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

**5. Americans with Disabilities Act**

Contractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of Section 508 of the Rehabilitation Act and the Americans with Disabilities Act of 1973 as amended (29 U.S.C. § 794 (d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code section 11135 codifies section 508 of the Act requiring accessibility of electronic and information technology.

**6. See Exhibit A, Attachment I, for a detailed description of the services to be performed.**

**Exhibit A, Attachment I  
Program Specifications**

**Part I - Substance Use Disorder Prevention and Treatment Block Grant Services**

**Section 1 - Formation and Purpose**

**A. Authority**

1. This Exhibit A, Attachment I, Part I of the Contract is entered into by and between the Department of Health Care Services (DHCS) and the Contractor, under the authority of Chapter 3 of Part 1, Division 10.5 of the Health and Safety Code (HSC), and with the approval of Contractor's County Board of Supervisors (or designee), for the purpose of providing alcohol and drug services, and shall be reimbursed pursuant to Exhibit A, Attachment I. DHCS and the Contractor identified in the Standard Agreement are the sole parties to this Contract. This Contract is not intended, nor shall it be construed, to confer rights on any third party.

**B. Federal Award Subrecipient**

1. The Substance Abuse Prevention and Treatment Block Grant (SABG) is a federal award within the meaning of Title 45, Code of Federal Regulations (CFR), Part 75. This Contract is a subaward of the federal award to DHCS.
2. Contractor is a subrecipient and subject to all applicable administrative requirements, cost principles, and audit requirements that govern federal monies associated with the SABG set forth in the Uniform Guidance 2 CFR Part 200, as codified by Health and Human Services (HHS) at 45 CFR Part 75.
3. As a subrecipient, the Contractor shall:
  - a) Maintain effective internal control over the SABG funds.
  - b) Comply with federal statutes, regulations, including 45 CFR Part 75, and terms and conditions of the SABG grant.
  - c) Evaluate and monitor its activities and the activities of all subcontractors for compliance with applicable statutes, regulations, and terms and conditions of the subaward.
  - d) Address any instances of noncompliance promptly, including noncompliance identified in audit findings.
4. The Contractor shall disclose, in writing to DHCS, any potential conflict of interest in accordance with Health and Human Services' (HHS) grant policy. (See, <https://www.hhs.gov/sites/default/files/grants/grants/policies-regulations/hhsgps107.pdf>).
5. The Contractor shall timely disclose, in writing to DHCS, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the grant. If the Contractor fails to make a required disclosure, DHCS may seek those remedies described in 45 CFR Section 75.371.
6. The Contractor shall have a single audit performed in accordance with the audit requirements set forth in 45 CFR Part 75, Subpart F.

**Exhibit A, Attachment I  
Program Specifications**

**C. Control Requirements**

1. Performance under the terms of this Exhibit A, Attachment I, Part I, is subject to all applicable federal and state laws, regulations, and standards. In accepting DHCS drug and alcohol SABG allocation pursuant to HSC Sections 11814(a) and (b), Contractor shall: (i) establish, and shall require its subcontractors to establish, written policies and procedures consistent with the control requirements set forth below; (ii) monitor for compliance with the written procedures; and (iii) be accountable for audit exceptions taken by DHCS against the Contractor and its subcontractors for any failure to comply with these requirements:

- a) HSC, Division 10.5, Part 2 commencing with Section 11760.
- b) Title 9, California Code of Regulations (CCR) (herein referred to as Title 9), Division 4, commencing with Section 9000.
- c) Government Code, Title 2, Division 4, Part 2, Chapter 2, Article 1.7.
- d) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130.
- e) Title 42 United State Code (USC), Sections 300x-21 through 300x-31, 300x-34, 300x-53, 300x-57, and 330x-64 through 66.
- f) Title 2, CFR 200 -The Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards.
- g) Title 45, Code of Federal Regulations (CFR), Sections 96.30 through 96.33 and Sections 96.120 through 96.137.
- h) Title 42, CFR, Sections 8.1 through 8.6.
- i) Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A – E).
- j) Title 21, CFR, Sections 1301.01 through 1301.93, Department of Justice, Controlled Substances.
- k) State Administrative Manual (SAM), Chapter 7200 (General Outline of Procedures).

Contractor shall be familiar with the above laws, regulations, and guidelines and shall assure that its subcontractors are also familiar with such requirements.

2. The provisions of this Exhibit A, Attachment I, Part I, are not intended to abrogate any provisions of law or regulation, or any standards existing or enacted during the term of this Contract.
3. Contractor shall adhere to the applicable provisions of Title 45, CFR, Part 96, Subparts C and L, as applicable, in the expenditure of SABG funds. Document 1A, 45 CFR 96, Subparts C and L, is incorporated by reference.

**Exhibit A, Attachment I  
Program Specifications**

4. Driving-Under-the-Influence Program Requirements (Documents 1C) contains additional requirements that shall be adhered to by the Contractor.
5. Contractor and all its subcontractors shall comply with the Minimum Quality Drug Treatment Standards for SABG for all Substance Use Disorder (SUD) treatment programs either partially or fully funded by SABG. The Minimum Quality Drug Treatment Standards for SABG are attached to this Contract as Document 2F(b), incorporated by reference. The incorporation of any new Minimum Quality Drug Treatment Standards into this Contract shall not require a formal amendment.

**Section 2 – General Provisions****A. Restrictions on Salaries**

Contractor agrees that no part of any federal funds provided under this Contract shall be used by the Contractor or its subcontractors to pay the salary and wages of an individual at a rate in excess of Level I of the Executive Schedule. Salary and wages schedules may be found at <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/17Tables/exec/html/EX.aspx>. SABG funds used to pay a salary in excess of the rate of basic pay for Level I of the Executive Schedule shall be subject to disallowance. The amount disallowed shall be determined by subtracting the individual's actual salary from the Level I rate of basic pay and multiplying the result by the percentage of the individual's salary that was paid with SABG funds (Reference: Terms and Conditions of the SABG award).

**B. Primary Prevention**

1. The SABG regulation defines "Primary Prevention Programs" as those programs "directed at individuals who have not been determined to require treatment for substance abuse" (45 CFR 96.121), and "a comprehensive prevention program which includes a broad array of prevention strategies directed at individuals not identified to be in need of better treatment" (45 CFR 96.125). Primary prevention includes strategies, programs and initiatives which reduce both direct and indirect adverse personal, social, health, and economic consequences resulting from problematic Alcohol and Other Drug (AOD) availability, manufacture, distribution, promotion, sales, and use. The desired result of primary prevention is to promote safe and healthy behaviors and environments for individuals, families and communities. The Contractor shall expend not less than its allocated amount of the SABG Primary Prevention Set-Aside funds on primary prevention as described in the SABG requirements (45 CFR 96.124).
2. Contractor is required to have a current and DHCS approved County Strategic Prevention Plan (SPP). The SPP must demonstrate that the County utilized the Substance Abuse and Mental Health Services Administration's Strategic Prevention Framework (SPF) in developing the plan as described at <http://www.samhsa.gov/capt/applying-strategic-prevention-framework>. DHCS will only approve SPP's that demonstrate that the Contractor utilized the SPF. Contractor shall:
  - a) Follow DHCS guidelines provided in the SPP Guide (Document 1N, incorporated by reference) and the Strategic Prevention Plan Workbook for Counties Utilizing the Strategic Prevention Framework (Document 1O, incorporated by reference).

**Exhibit A, Attachment I  
Program Specifications**

- b) Prepare a new SPP by October 1 of the year prior to the expiration date of the current SPP.
  - c) Submit a timeline, no later than October 1 of the year prior to the expiration date of the current SPP, for approval to DHCS that includes proposed dates for submitting each section of the SPP (outlined in the SPP Guide and the SPP Workbook).
  - d) Submit drafts of each SPP section to DHCS for review and approval according to the approved timeline.
  - e) Submit a completed draft of the SPP to DHCS no later than May 31<sup>st</sup> that includes the previously approved sections for final review and approval.
  - f) Provide an electronic copy of the final SPP to DHCS within 10 business days of approval and input planning data from the approved SPP into the prevention data collection service as requested.
3. Contractor shall submit a Prevention Mid-Year Budget to DHCS by January 31 of each fiscal year. The budget shall forecast how the SABG Primary Prevention Set-Aside funds will be expended for the fiscal year.

**C. Friday Night Live**

Contractors and subcontractors receiving SABG Friday Night Live (FNL) funding must:

- 1. Engage in programming that meets the FNL Youth Development Standards of Practice, Operating Principles and Core Components outlined at <http://fridaynightlive.org/about-us/cfnlp-overview/>.
- 2. Use the prevention data collection and reporting service for all FNL reporting including profiles and chapter activity.
- 3. Follow the FNL Data Entry Instructions for the prevention data collection and reporting service as provided by DHCS.
- 4. Meet the Member in Good Standing (MIGS) requirements, as determined by DHCS in conjunction with the California Friday Night Live Collaborative and the California Friday Night Live Partnership. Contractors that do not meet the MIGS requirements shall obtain technical assistance and training services from the California Friday Night Live Partnership and develop a technical assistance plan detailing how the Contractor intends to ensure satisfaction of the MIGS requirements for the next review.

**D. Perinatal Services Network Guidelines**

Contractor shall comply with the perinatal program requirements as outlined in the Perinatal Services Network Guidelines. The Perinatal Services Network Guidelines 2016-17 are attached to this Contract as Document 1G, incorporated by reference. The Contractor shall comply with the current version of these guidelines until new Perinatal Services Network Guidelines are established and adopted. The incorporation of any new Perinatal Services Network Guidelines into this Contract shall not require a formal amendment. Contractor receiving SABG funds must adhere to the Perinatal Services Network Guidelines, regardless of

**Exhibit A, Attachment I  
Program Specifications**

whether the Contractor exchanges perinatal funds for additional discretionary funds.

- E. Funds identified in this Contract shall be used exclusively for county alcohol and drug abuse services to the extent activities meet the requirements for receipt of federal block grant funds for prevention and treatment of substance abuse described in subchapter XVII of Chapter 6A of Title 42, the USC.

F. Room and Board for Transitional Housing

Contractor may use SABG discretionary funds to cover the cost of room and board of residents living in temporary, drug and alcohol free, transitional housing if the resident is actively engaged in treatment for a medically necessary SUD provided to the resident off-site. Contractor shall develop guidelines for contracted housing providers and provide monitoring and oversight and fulfill all SABG reporting requirements. Contractors and subcontractors using SABG discretionary funds to cover the cost of room and board for transitional housing shall:

1. Facilitate the beneficiary's movement in recovery from a SUD to independent living and integration into post treatment return or re-entry into the community.
2. Require that all individuals in the transitional housing be engaged in SUD treatment, off-site, at all times during the individual's stay.
3. Ensure payment of room and board expenses for a residential stay be limited to short term (up to 24 months).
4. Ensure the transitional housing be secure, safe, and alcohol and drug free.

**Section 3 - Performance Provisions**

A. Monitoring

1. Contractor's performance under this Exhibit A, Attachment I, Part I, shall be monitored by DHCS during the term of this Contract. Monitoring criteria shall include, but not be limited to:
  - a) Whether the quantity of work or services being performed conforms to Exhibit B.
  - b) Whether the Contractor has established and is monitoring appropriate quality standards.
  - c) Whether the Contractor is abiding by all the terms and requirements of this Contract.
  - d) Whether the Contractor is abiding by the terms of the Perinatal Services Network Guidelines (Document 1G).
  - e) Whether the Contractor conducted annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of its monitoring and audit reports to DHCS within two weeks of issuance.

**Exhibit A, Attachment I  
Program Specifications**

Reports should be sent by secure, encrypted e-mail to:

[SUDCountyReports@dhcs.ca.gov](mailto:SUDCountyReports@dhcs.ca.gov) or

Substance Use Disorder – Program, Policy, and Fiscal Division  
Performance Management Branch  
Department of Health Care Services  
PO Box 997413, MS-2627  
Sacramento, CA 95899-7413

2. Failure to comply with the above provisions shall constitute grounds for DHCS to suspend or recover payments, subject to the Contractor's right of appeal, or may result in termination of the Contract or both.

**B. Performance Requirements**

1. Contractor shall provide services based on funding set forth in Exhibit B, Attachment I and under the terms of this Contract.
2. Contractor shall provide services to all eligible persons in accordance with federal and state statutes and regulations. Contractor shall assure that in planning for the provision of services, the following barriers to services are considered and addressed:
  - a) Lack of educational materials or other resources for the provision of services.
  - b) Geographic isolation and transportation needs of persons seeking services or remoteness of services.
  - c) Institutional, cultural, and/or ethnicity barriers.
  - d) Language differences.
  - e) Lack of service advocates.
  - f) Failure to survey or otherwise identify the barriers to service accessibility.
  - g) Needs of persons with a disability.
3. Contractor shall comply with any additional requirements of the documents that have been incorporated herein by reference, including, but not limited to, those on the "List of Exhibit A, Attachment I Documents incorporate by Reference for Fiscal Year 2017-18" which is attached to Exhibit A, Attachment I.
4. The funds described in Exhibit A, Attachment I shall be used exclusively for providing alcohol and/or drug program services.
5. DHCS shall issue a report to Contractor after conducting monitoring, utilization, or auditing reviews of the county or county subcontracted providers. When the DHCS report identifies non-compliant services or processes, it shall require a Corrective Action Plan (CAP). The Contractor in coordination with its subcontracted provider shall submit a CAP to DHCS

**Exhibit A, Attachment I  
Program Specifications**

within the designated timeframe specified by DHCS. The CAP should be sent by secure, encrypted e-mail to: [SUDCountyReports@dhcs.ca.gov](mailto:SUDCountyReports@dhcs.ca.gov) or

Substance Use Disorder - Program, Policy, and Fiscal Division  
Performance Management Branch  
Department of Health Care Services  
PO Box 997413, MS-2621  
Sacramento, CA 95899-7413

6. The CAP shall include:

- a) A statement of the deficiency.
- b) A list of action steps to be taken to correct the deficiency.
- c) A date of completion for each deficiency corrected.
- d) Who will be responsible for correction and ongoing compliance.

7. DHCS will provide written approval of the CAP to the Contractor within 30 calendar days. If DHCS does not approve the CAP submitted by the Contractor, DHCS will provide guidance on the deficient areas and request an updated CAP from the Contractor with a new deadline for submission.

8. If the Contractor does not submit a CAP, or, does not implement the approved CAP provisions within the designated timeline, then DHCS may withhold funds until the Contractor is in compliance. DHCS shall inform the Contractor when funds will be withheld.

C. Sub-recipient Pre-Award Risk Assessment

Contractor shall comply with the sub-recipient pre-award risk assessment requirements contained in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. Contractor, as the SABG first-tier sub-recipient, shall review the merit and risk associated with all potential grant second-tier sub-recipients (subcontractors) annually prior to making an award. Contractor shall perform and document annual sub-recipient pre-award risk assessments for each subcontractor and retain documentation for audit purposes.

**Section 4 - Investigations and Confidentiality of Administrative Actions**

A. Contractor shall execute the Confidentiality Agreement, attached as Document 5A. The Confidentiality Agreement permits DHCS to communicate with Contractor concerning subcontracted providers that are subject to administrative sanctions.

**Exhibit A, Attachment I  
Program Specifications**

**Part II – General**

**A. Additional Contract Restrictions**

This Contract is subject to any additional restrictions, limitations, or conditions enacted by the Congress, or any statute enacted by the Congress, which may affect the provisions, terms, or funding of this Contract in any manner.

**B. Hatch Act**

Contractor agrees to comply with the provisions of the Hatch Act (Title 5 USC, Sections 1501-1508), which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

**C. No Unlawful Use or Unlawful Use Messages Regarding Drugs**

Contractor agrees that information produced through these funds, and which pertains to drugs and alcohol - related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC Section 11999-11999.3). By signing this Contract, Contractor agrees that it will enforce, and will require its subcontractors to enforce, these requirements.

**D. Noncompliance with Reporting Requirements**

Contractor agrees that DHCS has the right to withhold payments until Contractor has submitted any required data and reports to DHCS, as identified in Exhibit A, Attachment I, Part III - Reporting Requirements, or as identified in Document 1F(a), Reporting Requirements Matrix for Counties.

**E. Limitation on Use of Funds for Promotion of Legalization of Controlled Substances**

None of the funds made available through this Contract may be used for any activity that promotes the legalization of any drug or other substance included in Schedule I of Section 202 of the Controlled Substances Act (21 USC 812).

**F. Debarment and Suspension**

Contractor shall not subcontract with any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp. p. 189) and 12689 (3 CFR part 1989., p. 235), "Debarment and Suspension." SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

The Contractor shall advise all subcontractors of their obligation to comply with applicable federal debarment and suspension regulations, in addition to the requirements set forth in 42 CFR Part 1001.

**Exhibit A, Attachment I  
Program Specifications****G. Restriction on Distribution of Sterile Needles**

No SABG funds made available through this Contract shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug unless DHCS chooses to implement a demonstration syringe services program for injecting drug users.

**H. Health Insurance Portability and Accountability Act (HIPAA) of 1996**

All work performed under this Contract is subject to HIPAA, Contractor shall perform the work in compliance with all applicable provisions of HIPAA. As identified in Exhibit F, DHCS and County shall cooperate to assure mutual agreement as to those transactions between them, to which this provision applies. Refer to Exhibit F for additional information.

**1. Trading Partner Requirements**

- a) No Changes. Contractor hereby agrees that for the personal health information (Information), it will not change any definition, data condition or use of a data element or segment as proscribed in the Federal Health and Human Services (HHS) Transaction Standard Regulation (45 CFR 162.915 (a)).
- b) No Additions. Contractor hereby agrees that for the Information, it will not add any data elements or segments to the maximum data set as proscribed in the HHS Transaction Standard Regulation (45 CFR 162.915 (b)).
- c) No Unauthorized Uses. Contractor hereby agrees that for the Information, it will not use any code or data elements that either are marked "not used" in the HHS Transaction's Implementation specification or are not in the HHS Transaction Standard's implementation specifications (45 CFR 162.915 (c)).
- d) No Changes to Meaning or Intent. Contractor hereby agrees that for the Information, it will not change the meaning or intent of any of the HHS Transaction Standard's implementation specification (45 CFR 162.915 (d)).

**2. Concurrence for Test Modifications to HHS Transaction Standards**

Contractor agrees and understands that there exists the possibility that DHCS or others may request an extension from the uses of a standard in the HHS Transaction Standards. If this occurs, Contractor agrees that it will participate in such test modifications.

**3. Adequate Testing**

Contractor is responsible to adequately test all business rules appropriate to their types and specialties. If the Contractor is acting as a clearinghouse for enrolled providers, Contractor has obligations to adequately test all business rules appropriate to each and every provider type and specialty for which they provide clearinghouse services.

**Exhibit A, Attachment I  
Program Specifications**

4. Deficiencies

Contractor agrees to correct transactions, errors or deficiencies identified by DHCS, and transactions errors or deficiencies identified by an enrolled provider if the Contractor is acting as a clearinghouse for that provider. When County is a clearinghouse, Contractor agrees to properly communicate deficiencies and other pertinent information regarding electronic transactions to enrolled providers for which they provide clearinghouse services.

5. Code Set Retention

Both parties understand and agree to keep open code sets being processed or used in this Contract for at least the current billing period or any appeal period, whichever is longer.

6. Data Transmission Log

Both parties shall establish and maintain a Data Transmission Log which shall record any and all Data Transmissions taking place between the Parties during the term of this Contract. Each party will take necessary and reasonable steps to ensure that such Data Transmission Logs constitute a current, accurate, complete, and unaltered record of any and all Data Transmissions between the parties, and shall be retained by each Party for no less than twenty-four (24) months following the date of the Data Transmission. The Data Transmission Log may be maintained on computer media or other suitable means provided that, if it is necessary to do so, the information contained in the Data Transmission Log may be retrieved in a timely manner and presented in readable form.

I. Nondiscrimination and Institutional Safeguards for Religious Providers

Contractor shall establish such processes and procedures as necessary to comply with the provisions of Title 42, USC, Section 300x-65 and Title 42, CFR, Part 54, (Reference Document 1B).

J. Counselor Certification

Any counselor or registrant providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients, or residents in a DHCS licensed or certified program is required to be registered or certified as defined in Title 9, CCR, Division 4, Chapter 8, (Document 3H).

K. Cultural and Linguistic Proficiency

To ensure equal access to quality care by diverse populations, each service provider receiving funds from this Contract shall adopt the Federal Office of Minority Health Culturally and Linguistically Appropriate Service (CLAS) national standards (Document 3V).

L. Intravenous Drug Use (IVDU) Treatment

Contractor shall ensure that individuals in need of IVDU treatment shall be encouraged to undergo AOD treatment (42 USC 300x-23 (45 CFR 96.126(e)).

**Exhibit A, Attachment I  
Program Specifications**

**M. Tuberculosis Treatment**

Contractor shall ensure the following related to Tuberculosis (TB):

1. Routinely make available TB services to each individual receiving treatment for AOD use and/or abuse.
2. Reduce barriers to patients' accepting TB treatment.
3. Develop strategies to improve follow-up monitoring, particularly after patients leave treatment, by disseminating information through educational bulletins and technical assistance.

**N. Trafficking Victims Protection Act of 2000**

Contractor and its subcontractors that provide services covered by this Contract shall comply with the Trafficking Victims Protection Act of 2000 (22 United States Code (USC) 7104(g)) as amended by section 1702 of Pub. L. 112-239.

**O. Tribal Communities and Organizations**

Contractor shall regularly assess (e.g. review population information available through Census, compare to information obtained in the California Outcome Measurement System for Treatment (CalOMS-Tx) to determine whether the population is being reached, survey Tribal representatives for insight in potential barriers, the substance use service needs of the American Indian/Alaskan Native (AI/AN) population within the County geographic area, and shall engage in regular and meaningful consultation and collaboration with elected officials of the tribe, Rancheria, or their designee for the purpose of identifying issues/barriers to service delivery and improvement of the quality, effectiveness, and accessibility of services available to AI/NA communities within the County.

**P. Participation of County Behavioral Health Director's Association of California.**

The County AOD Program Administrator shall participate and represent the County in meetings of the County Behavioral Health Director's Association of California for the purposes of representing the counties in their relationship with DHCS with respect to policies, standards, and administration for AOD abuse services.

The County AOD Program Administrator shall attend any special meetings called by the Director of DHCS. Participation and representation shall also be provided by the County Behavioral Health Director's Association of California.

**Q. Youth Treatment Guidelines**

Contractor must comply with the guidelines in Document 1V, incorporated by this reference, "Youth Treatment Guidelines," in developing and implementing youth treatment programs funded under this Exhibit, until new Youth Treatment Guidelines are established and adopted. No formal amendment of this contract is required for new guidelines to be incorporated into this Contract.

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Program Specifications**

**R. Perinatal Services Network Guidelines**

Contractor must comply with the perinatal program requirements as outlined in the Perinatal Services Network Guidelines. The Perinatal Services Network Guidelines are attached to this contract as Document 1G, incorporated by reference. The Contractor must comply with the current version of these guidelines until new Perinatal Services Network Guidelines are established and adopted. The incorporation of any new Perinatal Services Network Guidelines into this Contract shall not require a formal amendment.

Contractor receiving SABG funds must adhere to the Perinatal Services Network Guidelines, regardless of whether the Contractor exchanges perinatal funds for additional discretionary funds.

**S. Byrd Anti-Lobbying Amendment (31 USC 1352)**

Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Contractor shall also disclose to DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

**T. Nondiscrimination in Employment and Services**

By signing this Contract, Contractor certifies that under the laws of the United States and the State of California, incorporated into this Contract by reference and made a part hereof as if set forth in full, Contractor will not unlawfully discriminate against any person.

**U. Federal Law Requirements:**

1. Title VI of the Civil Rights Act of 1964, Section 2000d, as amended, prohibiting discrimination based on race, color, or national origin in federally-funded programs.
2. Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in the sale or rental of housing.
3. Age Discrimination Act of 1975 (45 CFR Part 90), as amended 42 USC Sections 6101 – 6107), which prohibits discrimination on the basis of age.
4. Age Discrimination in Employment Act (29 CFR Part 1625).
5. Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting discrimination against the disabled in employment.
6. Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting discrimination against the disabled by public entities.
7. Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.

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8. Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794), prohibiting discrimination on the basis of individuals with disabilities.
9. Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding nondiscrimination in employment under federal contracts and construction contracts greater than \$10,000 funded by federal financial assistance.
10. Executive Order 13166 (67 FR 41455) to improve access to federal services for those with limited English proficiency.
11. The Drug Abuse Office and Treatment Act of 1972, as amended, relating to nondiscrimination on the basis of drug abuse.
12. Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A – E).

V. State Law Requirements:

1. Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (2 CCR 7285.0 et seq.).
2. Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section 11135.
3. Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.
4. No state or federal funds shall be used by the Contractor or its subcontractors for sectarian worship, instruction, or proselytization. No state funds shall be used by the Contractor or its subcontractors to provide direct, immediate, or substantial support to any religious activity.
5. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for DHCS to withhold payments under this Contract or terminate all, or any type, of funding provided hereunder.

W. Additional Contract Restrictions

1. This Contract is subject to any additional restrictions, limitations, or conditions enacted by the federal or state governments that affect the provisions, terms, or funding of this Contract in any manner.

X. Information Access for Individuals with Limited English Proficiency

1. Contractor shall comply with all applicable provisions of the Dymally-Alatorre Bilingual Services Act (Government Code sections 7290-7299.8) regarding access to materials that explain services available to the public as well as providing language interpretation services.

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2. Contractor shall comply with the applicable provisions of Section 1557 of the Affordable Care Act (45 CFR Part 92), including, but not limited to, 45 CFR 92.201, when providing access to: (a) materials explaining services available to the public, (b) language assistance,

(c) language interpreter and translation services, and (d) video remote language interpreting services.

Y. Subcontract Provisions

Contractor shall include all of the foregoing Part II general provisions in all of its subcontracts.

**Exhibit A, Attachment I  
Program Specifications****Part III – Reporting Requirements**

Contractor agrees that DHCS has the right to withhold payments until Contractor has submitted any required data and reports to DHCS, as identified in this Exhibit A, Attachment I or as identified in Document 1F (a), Reporting Requirement Matrix for Counties.

**A. Quarterly Federal Financial Management Report (QFFMR) - Quarterly Invoicing**

Quarterly invoices serve as the Quarterly Federal Financial Management Report (QFFMR). The Contractor shall submit the QFFMR quarterly to reflect cumulative SABG expenditures.

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For the beginning of each federal award year, the due dates are:

December 1 – 1<sup>st</sup> Quarterly Expenditures

March 1 – 1<sup>st</sup> and 2<sup>nd</sup> Quarterly Expenditures

June 1 – 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Cumulative Expenditures

September 1 – Total Fiscal Year Expenditures

**B. California Outcomes Measurement System for Treatment (CalOMS-Tx)**

The CalOMS-Tx business rules and requirements are:

1. Contractor shall internally comply with the CalOMS-Tx data collection system requirements for submission of CalOMS-Tx data or contract with a software vendor that does. If applicable, a Business Associate Agreement (BAA) shall be established between the Contractor and the software vendor, and the BAA shall state that DHCS is allowed to return the processed CalOMS-Tx data to the vendor that supplied the data to DHCS.
2. Contractor shall conduct information technology (IT) systems testing and pass State certification testing before commencing submission of CalOMS-Tx data. If the Contractor subcontracts with a vendor for IT services, Contractor is responsible for ensuring that the subcontracted IT system is tested and certified by the DHCS prior to submitting CalOMS-Tx data. If Contractor changes or modifies the CalOMS-Tx IT system, then Contractor shall re-test and pass state re-certification prior to submitting data from the new or modified system.
3. Electronic submission of CalOMS-Tx data shall be submitted by Contractor within 45 days from the end of the last day of the report month.
4. Contractor shall comply with data collection and reporting requirements established by the DHCS CalOMS-Tx Data Collection Guide (Document 3J) and all former Department of Alcohol and Drug Programs Bulletins and DHCS Information Notices relevant to CalOMS-Tx data collection.
5. Contractor shall submit CalOMS-Tx admission, discharge, annual update, resubmissions of records containing errors or in need of correction, and "provider no activity" report records in an electronic format approved by DHCS.

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6. Contractor shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS identified in Document 3S for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines, and reporting method.
7. Contractor shall participate in CalOMS-Tx informational meetings, trainings, and conference calls. Contractor staff responsible for CalOMS-Tx data entry must have sufficient knowledge of the CalOMS-Tx Data Quality Standards, all new CalOMS-Tx users, whether employed by the Contractor or its subcontractors, shall participate in CalOMS-Tx trainings prior to inputting data into the system.
8. Contractor shall implement and maintain a system that complies with the CalOMS-Tx data collection system requirement for electronic submission of CalOMS-Tx data.
9. Contractor shall meet the requirements as identified in Exhibit F, Privacy and Information Security Provisions and Exhibit F, Attachment I - Social Security Administration Agreement.

**C. Prevention Data Collection and Reporting Service**

The Prevention Data Collection and Reporting Service business rules and requirements are:

1. Contractors and/or subcontractors receiving SABG Primary Prevention Set-Aside funding shall input planning, service/activity and evaluation data into the service. When submitting data, Contractor shall comply with the Prevention Data Quality Standards (Document #1T).
2. Contractor shall report services/activities by the date of occurrence on an ongoing basis throughout each month. Contractor shall submit all data for each month no later than the 10<sup>th</sup> day of the following month.
3. Contractor shall review all data input into the prevention data collection service on a quarterly basis. Contractor shall verify that the data meets the Prevention Data Quality Standards. Certification is due by the last day of the month following the end of the quarter.
4. Contractor shall report progress to DHCS on the goals and objectives in the County SPP (as described in Exhibit A, Attachment I, Part I, Section 2 (B) (2)) on an annual basis by September 30<sup>th</sup> of each fiscal year.
5. If Contractor cannot meet the established due dates, a written request for an extension shall be submitted to DHCS 10 calendar days prior to the due date.
6. In order to ensure that all persons responsible for prevention data entry have sufficient knowledge of the Prevention Data Quality Standards, all new users of the service, whether employed by the Contractor or its subcontractors, shall participate in prevention data collection and reporting training prior to inputting any data.

**D. CalOMS-Tx and Prevention Data Collection and Reporting General Information**

1. If the Contractor experiences system or service failure or other extraordinary circumstances that affect its ability to timely submit CalOMS-Tx and/or prevention data, and or meet other CalOMS-Tx and/or prevention data compliance requirements, Contractor shall report the problem in writing by secure, encrypted e-mail to DHCS by e-mail at:

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[ITServiceDesk@dhcs.ca.gov](mailto:ITServiceDesk@dhcs.ca.gov) before the established data submission deadlines. The written notice shall include a remediation plan that is subject to review and approval by DHCS. A grace period of up to 60 days may be granted, at the State's sole discretion, for the Contractor to resolve the problem before SABG payments are withheld.

2. If DHCS experiences system or service failure, no penalties will be assessed to the Contractor for late data submission.
3. Contractor shall comply with the treatment and prevention data quality standards established by DHCS. Failure to meet these standards on an ongoing basis may result in withholding SABG funds.
4. If the Contractor submits data after the established deadlines, due to a delay or problem, Contractor is still responsible for collecting and reporting data from time of delay or problem.

E. Drug and Alcohol Treatment Access Report (DATAR)

The DATAR business rules and requirements are:

1. The Contractor shall be responsible for ensuring that the Contractor-operated treatment services and all treatment providers, with whom Contractor makes a contract or otherwise pays for the services, submit a monthly DATAR report in an electronic copy format as provided by DHCS.

In those instances, where the Contractor maintains, either directly or indirectly, a central intake unit or equivalent which provides intake services including a waiting list, the Contractor shall identify and begin submitting monthly DATAR reports for the central intake unit by a date to be specified by DHCS.

2. The Contractor shall ensure that all DATAR reports are submitted by either Contractor-operated treatment services and by each subcontracted treatment provider to DHCS by the 10<sup>th</sup> of the month following the report activity month.
3. The Contractor shall ensure that all applicable providers are enrolled in DHCS' web-based DATARWeb program for submission of data, accessible on the DHCS website when executing the subcontract.
4. If the Contractor or its subcontractor experiences system or service failure or other extraordinary circumstances that affect its ability to timely submit a monthly DATAR report, and/or to meet data compliance requirements, the Contractor shall report the problem in writing by secure, encrypted e-mail to: DHCS by e-mail at [ITServiceDesk@dhcs.ca.gov](mailto:ITServiceDesk@dhcs.ca.gov) before the established data submission deadlines. The written notice shall include a corrective action plan that is subject to review and approval by DHCS. A grace period of up to 60 days may be granted, at DHCS' sole discretion, for the Contractor to resolve the problem before SABG payments are withheld pursuant to 45 CFR Section 75.371 and HSC Section 11817.8. (See Exhibit B, Part II, Section (2)(A)(6)).
5. If DHCS experiences system or service failure, no penalties will be assessed to Contractor for late data submission.

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6. The Contractor shall be considered compliant if a minimum of 95% of required DATAR reports from the Contractor's treatment providers are received by the due date.

**F. Charitable Choice**

Contractor shall document the total number of referrals necessitated by religious objection to other alternative SUD providers. The Contractor shall annually submit this information to DHCS' Program Support and Grants Management Branch by e-mail at [DHCSUDCharitableChoice@dhcs.ca.gov](mailto:DHCSUDCharitableChoice@dhcs.ca.gov) by October 1<sup>st</sup>. The annual submission shall contain all substantive information required by DHCS and be formatted in a manner prescribed by DHCS.

**G. Subcontractor Documentation**

Contractor shall require its subcontractors that are not licensed or certified by DHCS to complete and submit non-drug Medi-Cal organizational forms within 30 days of the execution of an initial subcontract, within 90 days of the renewal or continuation of an existing subcontract or when there has been a change in subcontractor name or ownership. Non-Drug Medi-Cal Organizational forms shall be submitted through <http://www.dhcs.ca.gov/provgovpart/Pages/Master-Provider-File-Database-Resources.aspx>. Organizational documents shall include the subcontractor's Articles of Incorporation or Partnership Agreements (as applicable), business licenses, fictitious name permits, and such other information and documentation as may be requested by DHCS.

**H. Failure to meet required reporting requirements shall result in:**

1. DHCS will issue a Notice of Deficiency (Deficiencies) to Contractor regarding specified providers with a deadline to submit the required data and a request for a CAP to ensure timely reporting in the future. DHCS will approve or reject the CAP or request revisions to the CAP, which shall be resubmitted to the DHCS within 30 days.
2. If the Contractor has not ensured compliance with the data submission or CAP request within the designated timeline, then DHCS shall withhold funds until all data is submitted. DHCS shall inform the Contractor when funds will be withheld.

**Exhibit A, Attachment I  
Program Specifications****Part IV – Definitions****Section 1 - General Definitions**

The words and terms of this Contract are intended to have their usual meanings unless a particular or more limited meaning is associated with their usage pursuant to Division 10.5 of HSC, Section 11750 et seq., and Title 9, CCR, Section 9000 et seq.

- A. **"Available Capacity"** means the total number of units of service (bed days, hours, slots, etc.) that a Contractor actually makes available in the current fiscal year.
- B. **"Contractor"** means the county identified in the Standard Agreement or the department authorized by the County Board of Supervisors to administer substance use disorder programs.
- C. **"Corrective Action Plan (CAP)"** means the written plan of action document which the Contractor or its subcontracted service provider develops and submits to DHCS to address or correct a deficiency or process that is non-compliant with laws, regulations or standards.
- D. **"County"** means the county in which the Contractor physically provides covered substance use treatment services.
- E. **"Days"** means calendar days, unless otherwise specified.
- F. **"Dedicated Capacity"** means the historically calculated service capacity, by modality, adjusted for the projected expansion or reduction in services, which the Contractor agrees to make available to provide SABG services to persons eligible for Contractor's services.
- G. **"First-Tier Sub-recipient"** means the "Contractor" identified in the Standard Agreement or the department authorized by the County Board of Supervisors to administer substance use disorder programs funded by the SABG.
- H. **"Final Allocation"** means the amount of funds identified in the last allocation letter issued by DHCS for the current fiscal year.
- I. **"Final Settlement"** means permanent settlement of the Contractor's actual allowable costs or expenditures as determined at the time of audit, which shall be completed within three years of the date the year-end cost settlement report was accepted for interim settlement by DHCS. If the audit is not completed within three years, the interim settlement shall be considered as the final settlement.
- J. **"Interim Settlement"** means temporary settlement of actual allowable costs or expenditures reflected in the Contractor's year-end cost settlement report.
- K. **"Key points of contact"** means common points of access to substance use treatment services from the county, including but not limited to the county's beneficiary problem resolution process, county owned or operated or contract hospitals, and any other central access locations established by the county.
- L. **"Maximum Payable"** means the encumbered amount reflected on the Standard Agreement of this Contract and supported by Exhibit B, Attachment I.

**Exhibit A, Attachment I  
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- M. **"Modality"** means those necessary overall general service activities to provide substance use disorder services as described in Division 10.5 of the HSC.
- N. **"SABG Amount"** means the contracted amount of SABG funds for services agreed to by DHCS and the Contractor.
- O. **"Performance"** means providing the dedicated capacity in accordance with Exhibit B, Attachment I, and abiding by the terms of this Exhibit, including all applicable state and federal statutes, regulations, and standards, including Alcohol and/or Other Drug Certification Standards (Document 1P), in expending funds for the provision of substance use disorder services hereunder.
- P. **"Preliminary Settlement"** means the settlement of only SABG funding for counties that do include DMC funding.
- Q. **"Revenue"** means Contractor's income from sources other than DHCS allocation.
- R. **"Second-Tier Subrecipient"** means an entity that has entered into an agreement with the Contractor to be a provider of substance use disorder services funded by the SABG.
- S. **"Service Area"** means the geographical area under Contractor's jurisdiction.
- T. **"Service Element"** is the specific type of service performed within the more general service modalities. A list of the service modalities and service elements and service elements codes is incorporated into this Contract as Document 1H(a) "Service Code Descriptions".
- U. **"State"** means the Department of Health Care Services or DHCS.
- V. **"Sub-recipient Pre-Award Risk Assessment"** means the Contractor's responsibility to review the merit and risk associated with all potential grant recipients prior to making an award as described in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, commonly referred to as the Uniform Guidance.
- W. **"Utilization"** means the total actual units of service used by clients and participants further defined as the count of persons with initial admissions and subsequent admission(s) to an episode of care.

**Exhibit A, Attachment I  
Program Specifications****DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are hereby incorporated by reference into the County contract though they may not be physically attached to the contract but will be issued in a CD under separate cover:

Document 1A:	Title 45, Code of Federal Regulations 96, Subparts C and L, Substance Abuse Prevention and Treatment Block Grant Requirements  <a href="https://www.gpo.gov/fdsys/granule/CFR-2005-title45-vol1/CFR-2005-title45-vol1-part96">https://www.gpo.gov/fdsys/granule/CFR-2005-title45-vol1/CFR-2005-title45-vol1-part96</a>
Document 1B:	Title 42, Code of Federal Regulations, Charitable Choice Regulations  <a href="https://www.law.cornell.edu/cfr/text/42/part-54">https://www.law.cornell.edu/cfr/text/42/part-54</a>
Document 1C:	Driving-Under-the-Influence Program Requirements
Document 1F(a):	Reporting Requirement Matrix - County Submission Requirements for the Department of Health Care Services
Document 1G:	Perinatal Services Network Guidelines 2016-17  <a href="http://www.dhcs.ca.gov/services/adp/Documents/psng%20FY%202016-17.pdf">http://www.dhcs.ca.gov/services/adp/Documents/psng%20FY%202016-17.pdf</a>
Document 1K:	Drug and Alcohol Treatment Access Report (DATAR) User Manual  <a href="http://www.dhcs.ca.gov/provgovpart/Pages/DATAR.aspx">http://www.dhcs.ca.gov/provgovpart/Pages/DATAR.aspx</a>
Document 1N:	Guide to Writing a Strategic Prevention Plan
Document 1O:	Strategic Prevention Plan Workbook for Counties
Document 1P:	Alcohol and/or Other Drug Program Certification Standards (May 1, 2017)  <a href="http://www.dhcs.ca.gov/Documents/DHCS_AOD_Certification_Standards.pdf">http://www.dhcs.ca.gov/Documents/DHCS_AOD_Certification_Standards.pdf</a>
Document 1T :	CalOMS Prevention Data Quality Standards
Document 1V:	Youth Treatment Guidelines  <a href="http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf">http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf</a>
Document 2F(b):	Minimum Quality Drug Treatment Standards for SABG
Document 2P:	County Certification - Cost Report Year-End Claim For Reimbursement

**Exhibit A, Attachment I  
Program Specifications**

- Document 3G: California Code of Regulations, Title 9 - Rehabilitation and Developmental Services, Division 4 - Department of Alcohol and Drug Programs, Chapter 4 - Narcotic Treatment Programs  
  
<http://www.calregs.com>
- Document 3H: California Code of Regulations, Title 9 - Rehabilitation and Developmental Services, Division 4 - Department of Alcohol and Drug Programs, Chapter 8 - Certification of Alcohol and Other Drug Counselors  
  
<http://www.calregs.com>
- Document 3J: CalOMS Treatment Data Collection Guide  
  
[http://www.dhcs.ca.gov/provgovpart/Documents/CalOMS Tx Data Collection Guide JAN%202014.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/CalOMS_Tx_Data_Collection_Guide_JAN%202014.pdf)
- Document 3O: Quarterly Federal Financial Management Report (QFFMR)  
  
[http://www.dhcs.ca.gov/provgovpart/Pages/SUD\\_Forms.aspx](http://www.dhcs.ca.gov/provgovpart/Pages/SUD_Forms.aspx)
- Document 3S: CalOMS Treatment Data Compliance Standards  
  
[http://www.dhcs.ca.gov/provgovpart/Documents/CalOMS\\_data\\_compliance%20standards%202014.pdf](http://www.dhcs.ca.gov/provgovpart/Documents/CalOMS_data_compliance%20standards%202014.pdf)
- Document 3T: Non-Drug Medi-Cal and Drug Medi-Cal DHCS Local Assistance Funding Matrix
- Document 3T(a): SAPT Authorized and Restricted Expenditures Information (April 2017)
- Document 3V : Culturally and Linguistically Appropriate Services (CLAS) National Standards  
  
<https://www.minorityhealth.hhs.gov/omh/browse.aspx?lvl=2&lvlid=53>
- Document 5A : Confidentiality Agreement

**Exhibit B**  
**Budget Detail and Payment Provisions**

**Part I – General Fiscal Provisions**

**Section 1 – General Fiscal Provisions**

**A. Fiscal Provisions**

For services satisfactorily rendered, and upon receipt and approval of documentation as identified in Exhibit A, Attachment I, Part III, the Department of Health Care Services (DHCS) agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates and/or allowable costs specified herein.

**B. Funding Authorization**

Contractor shall bear the financial risk in providing any substance use disorder services covered by this Contract.

**C. Availability of Funds**

It is understood that, for the mutual benefit of both parties, this Contract may have been written before ascertaining the availability of congressional appropriation of funds in order to avoid program and fiscal delays that would occur if this Contract were not executed until after that determination. If so, DHCS may amend the amount of funding provided for in this Contract based on the actual congressional appropriation.

**D. 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, DHCS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Contract and Contractor shall not be obligated to perform any provisions of this Contract.

If the funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, DHCS shall solely have the option to either cancel this Contract with no liability occurring to DHCS, or offer an amended agreement to Contractor to reflect the reduced amount.

**E. Expense Allowability / Fiscal Documentation**

1. Invoices, received from a Contractor and accepted and/or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.
2. Contractor shall maintain for review, audit, and supply to DHCS upon request, adequate documentation of all expenses claimed pursuant to this Contract to permit a determination of expense allowability.
3. If the allowability or appropriateness of an expense cannot be determined by DHCS because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles, and generally accepted governmental audit standards, all questionable costs may be disallowed and payment may

**Exhibit B**  
**Budget Detail and Payment Provisions**

be withheld by DHCS. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

4. Costs and/or expenses deemed unallowable shall not be reimbursed or, if mistakenly reimbursed, those costs and/or expenses shall be subject to recovery by DHCS pursuant to HSC Code 11817.8(e).

**F. Maintenance of Effort for the Substance Abuse Prevention and Treatment Block Grant**

1. Notwithstanding any other provision in this Contract, the Director of DHCS may reduce federal funding allocations, on a dollar-for-dollar basis, to a county that has a reduced or anticipates reduced expenditures in a way that would result in a decrease in California's receipt of Federal Substance Abuse Prevention and Treatment Block Grant (SABG) funds (42 United States Code (U.S.C.) Sect 300x-30).
2. Prior to making any reductions pursuant to this subdivision, the Director shall notify all counties that county underspending will reduce the Federal SABG Maintenance Of Effort (MOE). Upon receipt of notification, a county may submit a revision to the county budget initially submitted pursuant to HSC Section 11798 subdivision(a) in an effort to maintain the statewide SABG MOE.
3. Pursuant to HSC Section 11814(d)(3), a county shall notify DHCS in writing of proposed local changes to the county's expenditure of funds. DHCS shall review and may approve the proposed local changes depending on the level of expenditures needed to maintain DHCS wide SABG MOE.

**G. SABG Primary Prevention Services Expenditure Requirement**

Pursuant to Title 42, U.S.C. Section 300x-22(a), the Contractor shall expend a minimum of 20 percent of SABG funds for primary prevention services. The Contractor shall expend primary prevention funds for strategies, programs and services directed at individuals who have not been determined to require treatment for a substance use disorder. These programs shall educate and counsel individuals on substance abuse and provide for activities to reduce the risk of such abuse by the individuals. The Contractor shall give priority to programs for populations that are at risk of developing a pattern of substance abuse and ensure that those programs develop community-based prevention strategies.

**H. SABG Women Services Expenditure Requirement**

Pursuant to Title 42, U.S.C. 5 Section 300x-22(b) and 45 Code of Federal Regulations (CFR) 96.124(c), for each state fiscal year (SFY) the Contractor shall expend an amount of SABG funds not less than the amount expended by the Contractor in fiscal year 1994 on perinatal services, pregnant women, and women with dependent children. The Contractor shall expend that percentage either by establishing new programs or expanding the capacity of existing programs in the manner described in Exhibit G of the annual SABG allocation, "County Share of SABG Women Services Expenditure Requirements" (found at [http://www.dhcs.ca.gov/formsandpubs/Documents/Info%20Notice%202015/11-Exhibit\\_G.pdf](http://www.dhcs.ca.gov/formsandpubs/Documents/Info%20Notice%202015/11-Exhibit_G.pdf)).

**Exhibit B**  
Budget Detail and Payment Provisions

**Section 2 – General Fiscal Provisions – SABG**

A. Revenue Collection

Contractor shall conform to revenue collection requirements in HSC Sections 11841, by raising revenues in addition to the funds allocated by DHCS. These revenues include, but are not limited to, fees for services, private contributions, grants, or other governmental funds. These revenues shall be used in support of additional alcohol and other drug services or facilities. Each alcohol and drug program shall set and collect client fees based on the client's ability to pay. The fee requirement shall not apply to prevention and early intervention services. Contractor shall identify in its annual cost report the types and amounts of revenues collected.

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B. Cost Efficiencies

It is intended that the cost to the Contractor in maintaining the dedicated capacity and units of service shall be met by the SABG funds allocated to the Contractor and other Contractor or subcontractor revenues. Amounts awarded pursuant to Exhibit A, Attachment I, Part I, shall not be used for services where payment has been made, or can reasonably be expected to be made under any other state or federal compensation or benefits program, or where services can be paid for from revenues.

**Exhibit B**  
Budget Detail and Payment Provisions

**Part II – Reimbursements**

**Section 1 - General Reimbursement**

A. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

B. Amounts Payable

1. The amount payable under this Contract shall not exceed the amount identified on the State of California Standard Agreement form STD 213 DHCS.
2. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.
3. The funds identified for the fiscal years covered by this Section, within this Exhibit, are subject to change depending on the availability and amount of funds appropriated by the Legislature and the Federal Government. The amount of funds available for expenditure by the Contractor shall be limited to the amount identified in the final allocations issued by DHCS for that fiscal year or the SABG amount, whichever is less. Changes to allocated funds will require a written amendment to the Contract.
4. For each fiscal year, DHCS may settle costs for services based on the year-end cost settlement report. The year-end cost settlement shall be the final amendment for the state fiscal year.

**Section 2 - Substance Abuse Prevention and Treatment Block Grant (SABG)**

A. Amounts Payable for SABG

1. DHCS shall reimburse the Contractor monthly in arrears an amount equal to one-twelfth of the maximum amount allowed pursuant to Exhibit B of the Contract or the most recent allocation based on the Budget Act Allocation, whichever is less. Final allocations will reflect any increases or reductions in the appropriations as reflected in DHCS Budget Act allocation and any subsequent allocation revisions.
2. Quarterly Invoicing-Quarterly Federal Financial Management Report (QFFMR)
  - a) Chapter 8760 of the State Administrative Manual requires DHCS to establish control mechanisms to ensure that the Contractor does not spend beyond its allocation and that DHCS does not reimburse beyond the Contractor's allocation. The Contractor shall complete quarterly invoices as prescribed by DHCS that serve as expenditure reports during the fiscal year. The Contractor shall incur expenditures before receiving payment from its allocation. These expenditures are documented as totals in aggregate.

**Exhibit B**  
**Budget Detail and Payment Provisions**

Quarterly invoices are due:

- December 1-1<sup>st</sup> Quarter
- March 1-2<sup>nd</sup> Quarter
- June 1-3<sup>rd</sup> Quarter
- September 1-4<sup>th</sup> Quarter

These invoices serve as payment authorizations. Payment authorizations are analyzed by DHCS to ensure that costs are reasonable and do not exceed the Contractor's allocation. Inaccuracies in the report shall be resolved by the Contractor prior to receiving payment. These quarterly invoices serve as the Quarterly Federal Financial Management Report (QFFMR).

3. Monthly disbursements to the Contractor at the beginning of each fiscal year of the Contract shall be based on the preliminary allocation of funds, as detailed in Section 2 of this Exhibit.
4. Based on the expenditure information submitted by the counties in the QFFMR (Document 30), DHCS may adjust monthly payments of encumbered block grant federal funds to extend the length of time (not to exceed 21 months) over which payments of federal funds will be made.
5. Pursuant to 45 CFR Section 75.371 and HSC Section 11817.8, DHCS may withhold monthly SABG payments if the Contractor fails to:
  - a) Submit timely reports and data required by DHCS, including but not limited to, reports required pursuant to Exhibit A, Attachment I, Part III.
  - b) Submit a Contract amendment within 90 days from issuance from DHCS to the Contractor.
  - c) Submit monitoring reports and attest the completion of Corrective Action Plans (CAP) for services provided pursuant to this Contract.
  - d) Monitor its subcontractors annually pursuant to Exhibit A, Attachment I, Part I.
6. In the event DHCS withholds SABG payment, the Contractor's payment shall commence with the next scheduled monthly payment following DHCS' receipt and acceptance of complete and accurate reports, data, or executed Contract. The payment shall include any funds withheld pursuant to Section 2(A)(5).
7. Adjustments may be made to the total Contract amount and funds may be withheld from payments otherwise due to the Contractor hereunder, for nonperformance to the extent that nonperformance involves fraud, abuse, or failure to achieve the objectives of the provisions of Exhibit A, Attachment I, Part I.

**B. Payment Provisions**

For each fiscal year, the total amount payable by DHCS to the Contractor for services provided under Exhibit A, Attachment I, Part I, shall not exceed the encumbered amount. The funds

**Exhibit B**  
Budget Detail and Payment Provisions

identified for the fiscal years covered by Exhibit A, Attachment I, Part I, are subject to change depending on the availability and amount of funds appropriated by the Legislature and the Federal Government. Changes to encumbered funds require a written amendment to the Contract. DHCS may settle costs for SABG services based on the year-end cost settlement report as the final amendment to the approved single state/county Contract.

- C. In the event of a Contract amendment, as required by the preceding paragraph, the Contactor shall submit to DHCS the information identified in Exhibit E, Section (1)(B). To the extent the Contractor is notified of the State Budget Act allocation prior to the execution of the Contract, DHCS and the Contractor may agree to amend the Contract after the issuance of the first Budget Act allocation.

D. Accrual of Interest

Any interest accrued from state-allocated funds and retained by the Contractor shall be used for the same purpose as DHCS allocated funds from which the interest was accrued.

E. Expenditure Period

SABG funds are allocated based upon the Federal Grant award period. These funds must be expended for activities authorized pursuant to 42 USC Sections 300x-21 through 300x-66, and Title 45 CFR 96.120 et seq., within the availability period of the grant award. Any SABG funds that have not been expended by the Contractor at the end of the expenditure period identified below shall be returned to DHCS for subsequent return to the Federal Government.

1. The expenditure period of the FFY 2015 award is October 1, 2015 through June 30, 2017.
2. The expenditure period of the FFY 2016 award is October 1, 2016 through June 30, 2018.
3. The expenditure period of the FFY 2017 award is October 1, 2017 through June 30, 2019.
4. The expenditure period of the FFY 2018 award is October 1, 2018 through June 30, 2020.
5. The expenditure period of the FFY 2019 award is October 1, 2019 through June 30, 2021.

- F. Contractors receiving SABG funds shall comply with the financial management standards contained in 45 CFR Sections 75.302(b)(1) through (6), and 45 CFR Section 96.30.
- G. Non-profit subcontractors receiving SABG funds shall comply with the financial management standards contained in 45 CFR Section 75.302(b)(1) through (4) and (b)(7), and 45 CFR Section 96.30.
- H. Contractors receiving SABG funds shall track obligations and expenditures by individual SABG award, including, but not limited to, obligations and expenditures for primary prevention, services to pregnant women and women with dependent children. "Obligation" shall have the same meaning as used in 45 CFR Section 75.2.

**Exhibit B**  
**Budget Detail and Payment Provisions****I. Restrictions on the Use of SABG Funds**

Pursuant to 42 USC 300x-31, Contractor shall not use SABG funds provided by the Contract on the following activities:

1. Provide inpatient services.
2. Make cash payment to intended recipients of health services.
3. Purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility or purchase major medical equipment.
4. Satisfy any requirement for the expenditure of SABG funds as a condition for the receipt of federal funds.
5. Provide financial assistance to any entity other than a public or nonprofit private entity.
6. Pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of level I of the Executive Salary Schedule for the award year: see [http://grants.nih.gov/grants/policy/salcap\\_summary.htm](http://grants.nih.gov/grants/policy/salcap_summary.htm).
7. Purchase treatment services in penal or correctional institutions of this State of California.
8. Supplant state funding of programs to prevent and treat substance abuse and related activities.
9. Carry out any program prohibited by 42 USC 300x-21 and 42 USC 300ee-5 such that none of the funds provided under this Act or an amendment made by this Act shall be used to provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs, unless the Surgeon General of the United States Public Health Service determines that a demonstration needle exchange program would be effective in reducing drug abuse and the risk that the public will become infected with the etiologic agent for acquired immune deficiency syndrome.
10. Exception regarding inpatient hospital services:
  - a) Medical necessity as precondition: With respect to compliance with the agreement made under this Exhibit, Part II, Section 2(I), a State may expend a grant under 42 USC 300x-21 to provide inpatient hospital services as treatment for substance abuse only if it has been determined, in accordance with guidelines issued by the Secretary, that such treatment is a medical necessity for the individual involved, and that the individual cannot be effectively treated in a community-based, nonhospital, residential program of treatment.
  - b) Rate of payment: In the case of an individual for whom a grant under section 300x-21 of this title is expended to provide inpatient hospital services described in paragraph (1), a funding agreement for the grant for the State involved is that the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, non-hospital, residential programs of treatment for substance abuse.

**Exhibit B**  
Budget Detail and Payment Provisions

11. Waiver regarding construction of facilities:

- a) In general: The Secretary may provide to any State a waiver of the restriction established in 42 USC 300x-31, subsection (a)(1)(C), for the purpose of authorizing DHCS to expend a grant under section 42 USC 300x-21 for the construction of a new facility or rehabilitation of an existing facility, but not for land acquisition.
- b) Standard regarding need for waiver: The Secretary may approve a waiver under 42 USC 300x-31 (c), only if DHCS demonstrates to the Secretary that adequate treatment cannot be provided through the use of existing facilities and that alternative facilities in existing suitable buildings are not available.
- c) Amount: In granting a waiver under 42 USC 300x-31 (c), the Secretary shall allow the use of a specified amount of funds to construct or rehabilitate a specified number of beds for residential treatment and a specified number of slots for outpatient treatment, based on reasonable estimates by DHCS of the costs of construction or rehabilitation. In considering waiver applications, the Secretary shall ensure that DHCS has carefully designed a program that will minimize the costs of additional beds.
- d) Matching funds: The Secretary may grant a waiver under 42 USC 300x-31 (c), only if DHCS agrees, with respect to the costs to be incurred by DHCS in carrying out the purpose of the waiver, to make available non-federal contributions in cash toward such costs in an amount equal to not less than \$1 for each \$1 of federal funds provided under 42 USC 300x-21.
- e) Date certain for acting upon request: The Secretary shall act upon a request for a waiver under 42 USC 300x-31 (c), not later than 120 days after the date on which the request is made.

**Exhibit B**  
**Budget Detail and Payment Provisions**

**Part III - Financial Audit Requirements**

**Section 1 - General Fiscal Audit Requirements**

- A. In addition to the requirements identified below, the Contractor and its subcontractors are required to meet the audit requirements as delineated in Exhibit C, General Terms and Conditions, and Exhibit D(F), Special Terms and Conditions, of this Contract.
- B. All expenditures of county realignment funds, state and federal funds furnished to the Contractor and its subcontractors pursuant to this Contract are subject to audit by DHCS. Such audits shall consider and build upon external independent audits performed pursuant to audit requirements of 45 CFR, Part 75, Subpart F and/or any independent Contractor audits or reviews. Objectives of such audits may include, but are not limited to, the following:
  - 1. To determine whether units of service claimed/reported are properly documented by service records and accurately accumulated for claiming/reporting.
  - 2. To validate data reported by the Contractor for prospective contract negotiations.
  - 3. To provide technical assistance in addressing current year activities and providing recommendations on internal controls, accounting procedures, financial records, and compliance with laws and regulations.
  - 4. To determine the cost of services, net of related patient and participant fees, third party payments, and other related revenues and funds.
  - 5. To determine that expenditures are made in accordance with applicable state and federal laws and regulations and contract requirements.
  - 6. To determine the facts in relation to analysis of data, complaints, or allegations, which may be indicative of fraud, abuse, willful misrepresentation, or failure to achieve the Contract objectives.
- C. Unannounced visits to the Contractor and/or its subcontractors may be made at the discretion of DHCS.
- D. The refusal of the Contractor or its subcontractors to permit access to and inspection of electronic or print books and records, physical facilities, and/or refusal to permit interviews with employees, as described in this part constitutes an express and immediate material breach of this Contract and will be sufficient basis to terminate the Contract for cause or default.
- E. Reports of audits conducted by DHCS shall reflect all findings, recommendations, adjustments and corrective actions as a result of its finding in any areas.

**Section 2. SABG Financial Audits**

- A. Contractor shall monitor the activities of all of its subcontractors to ensure that the SABG funds are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the grant and that performance goals are achieved.

**Exhibit B**  
Budget Detail and Payment Provisions

- B. Contractor may use a variety of monitoring mechanisms, including limited scope audits, on-site visits, progress reports, financial reports, and review of documentation support requests for reimbursement, to meet the Contractor's monitoring objectives. Contractor may charge federal awards for the cost of these monitoring procedures if permitted under 45 CFR 75.425.
- C. Contractor shall submit to DHCS a copy of the procedures and any other monitoring mechanism used to monitor non-profit Subcontracts at the time of the County's annual desk review or site visit or within 60 days thereafter. Contractor shall state the frequency that non-profit Subcontracts are monitored.
- D. On-site visits focus on compliance and controls over compliance areas. The DHCS County Monitoring Unit analyst shall make site visits to the subcontractor locations(s), and can use a variety of monitoring mechanisms to document compliance requirements. The Contractor shall follow-up on any findings and the corrective actions. 42 USC 300x-31 subsection (a)(1)(C)
  - 1. Contractor shall be responsible for any disallowance taken by the Federal Government, DHCS, or the California State Auditor, as a result of any audit exception that is related to the Contractor's responsibilities herein. Contractor shall not use funds administered by DHCS to repay one federal funding source with funds provided by another federal funding source, to repay federal funds with state funds, or to repay state funds with federal funds. DHCS shall invoice Contractor 60 days after issuing the final audit report or upon resolution of an audit appeal. Contractor agrees to develop and implement any CAP in a manner acceptable to DHCS in order to comply with recommendations contained in any audit report. Such CAP plans shall include time-specific objectives to allow for measurement of progress and are subject to verification by DHCS within one year from the date of the plan.
- E. Contractors that conduct financial audits of subcontractors, other than a subcontractor whose funding consists entirely of non-Department funds, shall develop a process to resolve disputed financial findings and notify subcontractors of their appeal rights pursuant to that process. If any fiscal adjustments remain after the Contractor and subcontractor have exhausted the internal appeals process, any SABG funds outstanding shall be returned to DHCS. This section shall not apply to those grievances or compliances arising from the financial findings of an audit or examination made by or on behalf of DHCS pursuant to Part III of this Exhibit.
- F. If the Contractor fails to comply with Federal statutes, regulations, or the terms and conditions of the grant, DHCS may impose additional conditions on the subaward, including:
  - 1. Requiring additional or more detailed financial reports.
  - 2. Requiring technical or management assistance.
  - 3. Establishing additional prior approvals.
- G. If DHCS determines that the Contractor's noncompliance cannot be remedied by imposing additional conditions, DHCS may take one or more of the following actions:
  - a. Temporarily withhold cash payment pending correction of the deficiency by the Contractor.
  - b. Disallow all or part of the cost of the activity or action not in compliance.

**Exhibit B**  
Budget Detail and Payment Provisions

- c. Wholly or partly suspend the award activities or terminate the Contractor's subaward.
  - d. Recommend that the suspension or debarment proceedings be initiated by the Federal awarding agency.
  - e. Withhold further Federal awards.
  - f. Take other remedies that may be legally available.
-

**Exhibit B**  
**Budget Detail and Payment Provisions**

**Part IV – Records**

**Section 1 - General Provisions**

**A. Maintenance of Records**

Contractor shall maintain sufficient books, records, documents, and other evidence necessary for DHCS to audit contract performance and contract compliance. Contractor shall make these records available to SAMHSA, Inspectors General, the Comptroller General, DHCS, or any of their authorized representatives upon request, to evaluate the quality and quantity of services, accessibility and appropriateness of services, and to ensure fiscal accountability. Regardless of the location or ownership of such records, they shall be sufficient to determine if costs incurred by Contractor are reasonable, allowable and allocated appropriately. All records must be capable of verification by qualified auditors.

1. Contractor and subcontractors shall include in any contract with an audit firm a clause to permit access by DHCS to the working papers of the external independent auditor, and require that copies of the working papers shall be made for DHCS at its request.
2. Contractor and subcontractors shall keep adequate and sufficient financial records and statistical data to support the year-end documents filed with DHCS. All records must be capable of verification by qualified auditors.
3. Accounting records and supporting documents shall be retained for a three-year period from the date the year-end cost settlement report was approved by DHCS for interim settlement. When an audit by the Federal Government, DHCS, or the California State Auditor has been started before the expiration of the three-year period, the records shall be retained until completion of the audit and final resolution of all issues that arise in the audit. Final settlement shall be made at the end of the audit and appeal process. If an audit has not been completed within three years, the interim settlement shall be considered as the final settlement.
4. Financial records shall be kept so that they clearly reflect the source of funding for each type of service for which reimbursement is claimed. These documents include, but are not limited to, all ledgers, books, vouchers, time sheets, payrolls, appointment schedules, client data cards, and schedules for allocating costs. All records must be capable of verification by qualified auditors.
5. Contractor's subcontracts shall require that all subcontractors comply with the requirements of Exhibit A, Attachment I, Part I, Section 3.
6. Should a subcontractor discontinue its contractual agreement with the Contractor, or cease to conduct business in its entirety, Contractor shall be responsible for retaining the subcontractor's fiscal and program records for the required retention period. The State Administrative Manual (SAM) contains statutory requirements governing the retention, storage, and disposal of records pertaining to state funds. Contractor shall follow SAM requirements located at <http://sam.dgs.ca.gov/TOC/1600.aspx>.
7. The Contractor shall retain all records in accordance with the time periods outlined in 45 CFR Section 75.361.

**Exhibit B**  
Budget Detail and Payment Provisions

8. In the expenditure of funds hereunder, and as required by 45 CFR Part 96, Contractor shall comply with the requirements of SAM and the laws and procedures applicable to the obligation and expenditure of federal and state funds.

**B. Dispute Resolution Process**

1. In the event of a dispute under this Exhibit A, Attachment I, Part I, other than an audit dispute, Contractor shall provide written notice of the particulars of the dispute to DHCS before exercising any other available remedy. Written notice shall include the contract number. The Director (or designee) of DHCS and the County Drug or Alcohol Program Administrator (or designee) shall meet to discuss the means by which they can effect an equitable resolution to the dispute. Contractor shall receive a written response from DHCS within 60 days of the notice of dispute. The written response shall reflect the issues discussed at the meeting and state how the dispute will be resolved.
2. Contractors that conduct financial audits of subcontractors, other than a subcontractor whose funding consists entirely of non-Department funds, shall develop a process to resolve disputed financial findings and notify subcontractors of their appeal rights pursuant to that process. If any fiscal adjustments remain after the Contractor and subcontractor have exhausted the internal appeals process, any SABG funds outstanding must be returned to DHCS. This section shall not apply to those grievances or compliances arising from the financial findings of an audit or examination made by or on behalf of DHCS pursuant to Part III of this Exhibit.
3. To ensure that necessary corrective actions are taken, financial audit findings that are either uncontested or upheld after appeal may be used by DHCS during prospective contract negotiations.

County of Shasta  
17-94162

Exhibit B, Attachment I - Funding for Fiscal Year 2017-18 through FY 2019-20

Version:	Original
Date:	7/1/2017

Contract Number:	17-94162
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County:	Shasta
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Fiscal Year 2017-18	2017-18 Funding Amount	Original
SAPT Block Grant - FFY 2018 Award (10/1/17 to 6/30/19)		
Duns #: 103497280 Federal Grant #: 2B08T1010062-18		
CFDA: 93.959 FAIN: T110062-17		
- Discretionary	740,998	
- Prevention Set-Aside	306,437	
- Friday Night Live/Club Live	6,000	
- Perinatal	376,396	
- Adolescent/Youth	18,146	
<b>TOTAL</b>	<b>1,447,977</b>	

<b>ORIGINAL THREE-YEAR TOTAL</b>	<b>4,343,931</b>
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Fiscal Year 2018-19	2018-19 Funding Amount	Original
SAPT Block Grant - FFY 2019 Award (10/1/18 to 6/30/20)		
Duns #: 103497280 Federal Grant #: 2B08T1010062-19		
CFDA: 93.959 FAIN: T110062-18		
- Discretionary	740,998	
- Prevention Set-Aside	306,437	
- Friday Night Live/Club Live	6,000	
- Perinatal	376,396	
- Adolescent/Youth	18,146	
<b>TOTAL</b>	<b>1,447,977</b>	

Fiscal Year 2019-20	2019-20 Funding Amount	Original
SAPT Block Grant - FFY 2020 Award (10/1/19 to 6/30/21)		
Duns #: 103497280 Federal Grant #: 2B08T1010062-20		
CFDA: 93.959 FAIN: T110062-19		
- Discretionary	740,998	
- Prevention Set-Aside	306,437	
- Friday Night Live/Club Live	6,000	
- Perinatal	376,396	
- Adolescent/Youth	18,146	
<b>TOTAL</b>	<b>1,447,977</b>	

GTC 04/2017

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. 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.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. 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.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

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

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support

enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER:

If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

**Special Terms and Conditions***(For federally funded service contracts or agreements and grant agreements)*

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Health Care Services", "California Department of Health Services", "Department of Health Care Services", "Department of Health Services", "CDHCS", "DHCS", "CDHS", and "DHS" shall all have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount; agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

**Index of Special Terms and Conditions**

1. Federal Equal Employment Opportunity Requirements	17. Human Subjects Use Requirements
2. Travel and Per Diem Reimbursement	18. Novation Requirements
3. Procurement Rules	19. Debarment and Suspension Certification
4. Equipment Ownership / Inventory / Disposition	20. Smoke-Free Workplace Certification
5. Subcontract Requirements	21. Covenant Against Contingent Fees
6. Income Restrictions	22. Payment Withholds
7. Audit and Record Retention	23. Performance Evaluation
8. Site Inspection	24. Officials Not to Benefit
9. Federal Contract Funds	25. Four-Digit Date Compliance
10. Intellectual Property Rights	26. Prohibited Use of State Funds for Software
11. Air or Water Pollution Requirements	27. Use of Small, Minority Owned and Women's Businesses
12. Prior Approval of Training Seminars, Workshops or Conferences	28. Alien Ineligibility Certification
13. Confidentiality of Information	29. Union Organizing
14. Documents, Publications, and Written Reports	30. Contract Uniformity (Fringe Benefit Allowability)
15. Dispute Resolution Process	31. Suspension or Stop Work Notification
16. Financial and Compliance Audit Requirements	32. Lobbying Restrictions and Disclosure Certification

**1. Federal Equal Opportunity Requirements**

(Applicable to all federally funded agreements entered into by the Department of Health Care Services)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, the Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

## 2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from DHCS under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR), for nonrepresented state employees as stipulated in DHCS' Travel Reimbursement Information Exhibit. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to CalHR rates may be approved by DHCS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

## 3. Procurement Rules

(Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by DHCS or expenses for said items are reimbursed by DHCS with state or federal funds provided under the Agreement.)

### a. Equipment/Property definitions

Wherever the term equipment and/or property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
- (2) **Minor equipment/property:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.

- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment/property and services related to such purchases for performance under this Agreement.

- (1) Equipment/property purchases shall not exceed \$50,000 annually.

To secure equipment/property above the annual maximum limit of \$50,000, the Contractor shall

make arrangements through the appropriate DHCS Program Contract Manager, to have all remaining equipment/property purchased through DHCS' Purchasing Unit. The cost of equipment/property purchased by or through DHCS shall be deducted from the funds available in this Agreement. Contractor shall submit to the DHCS Program Contract Manager a list of equipment/property specifications for those items that the State must procure. DHCS may pay the vendor directly for such arranged equipment/property purchases and title to the equipment/property will remain with DHCS. The equipment/property will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the DHCS Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment/property purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:
  - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
  - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
  - (c) Procurements shall be conducted in a manner that provides for all of the following:
    - [1] Avoid purchasing unnecessary or duplicate items.
    - [2] Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
    - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by DHCS, prior written authorization from the appropriate DHCS Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by DHCS (e.g., when DHCS has a need to monitor certain purchases, etc.), DHCS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHCS determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHCS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

**4. Equipment/Property Ownership / Inventory / Disposition**

(Applicable to agreements in which equipment/property is furnished by DHCS and/or when said items are purchased or reimbursed by DHCS with state or federal funds provided under the Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement shall be considered state equipment and the property of DHCS.

- (1) **Reporting of Equipment/Property Receipt** - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by DHCS or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the DHCS Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by DHCS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHCS Funds) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager.

- (2) **Annual Equipment/Property Inventory** - If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the DHCS Program Contract Manager using a form or format designated by DHCS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHCS-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
  - (b) Submit the inventory report to DHCS according to the instructions appearing on the inventory form or issued by the DHCS Program Contract Manager.
  - (c) Contact the DHCS Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by either the DHCS Program Contract Manager or DHCS' Asset Management Unit.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
- (1) In administering this provision, DHCS may require the Contractor and/or Subcontractor to repair or replace, to DHCS' satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHCS Program Contract Manager.
- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement.

- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the DHCS Program Contract Manager and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to DHCS. Final disposition of equipment and/or property shall be at DHCS expense and according to DHCS instructions. Equipment and/or property disposition instructions shall be issued by DHCS immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to DHCS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHCS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

**Automobile Liability Insurance**

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHCS Program Contract Manager. The certificate of insurance shall identify the DHCS contract or agreement number for which the insurance applies.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to DHCS.
- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:

- [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Care Services).
- [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
- [3] The insurance carrier shall notify the California Department of Health Care Services (DHCS), in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.

(f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by DHCS, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.

(g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, DHCS may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

## 5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
  - (1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
  - (2) DHCS may identify the information needed to fulfill this requirement.
  - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
    - (a) A local governmental entity or the federal government,
    - (b) A State college or State university from any State,
    - (c) A Joint Powers Authority,
    - (d) An auxiliary organization of a California State University or a California community college,
    - (e) A foundation organized to support the Board of Governors of the California Community Colleges,
    - (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
    - (g) Firms or individuals proposed for use and approved by DHCS' funding Program via acceptance of an application or proposal for funding or pre/post contract award negotiations,
    - (h) Entities and/or service types identified as exempt from advertising and competitive bidding in State Contracting Manual Chapter 5 Section 5.80 Subsection B.2. View this publication at the following Internet address: <http://www.dgs.ca.gov/ols/Resources/StateContractManual.aspx>.
- b. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.

- (1) Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
  - d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make copies available for approval, inspection, or audit.
  - e. DHCS assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
  - f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
  - g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
  - h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:  
  

"(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHCS to the Contractor, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."
  - i. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
  - j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, 32 and/or other numbered provisions herein that are deemed applicable.

## 6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to DHCS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHCS under this Agreement.

## 7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Contractor agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this

Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896).

- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
  - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
  - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.
- f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
- g. The Contractor shall, if applicable, comply with the Single Audit Act and the audit reporting requirements set forth in OMB Circular A-133.

## 8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

## 9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.

- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. DHCS has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

## 10. Intellectual Property Rights

### a. Ownership

- (1) Except where DHCS has agreed in a signed writing to accept a license, DHCS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
  - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of DHCS' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHCS. **Except as otherwise set forth herein, neither the Contractor nor DHCS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to DHCS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.
- (4) Contractor agrees to cooperate with DHCS in establishing or maintaining DHCS' exclusive rights in the Intellectual Property, and in assuring DHCS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHCS and which result directly or indirectly from this Agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHCS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHCS' Intellectual Property rights and interests.

**b. Retained Rights / License Rights**

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to DHCS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHCS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

**c. Copyright**

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, shall include DHCS' notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2010, etc.], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

**d. Patent Rights**

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to DHCS a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to DHCS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHCS in securing United States and foreign patents with respect thereto.

**e. Third-Party Intellectual Property**

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHCS' prior written approval; and (ii) granting to or obtaining for DHCS, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and DHCS determines that the Intellectual Property should be included in or is required

for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to DHCS.

**f. Warranties**

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHCS in this Agreement.
- (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

(2) DHCS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

**g. Intellectual Property Indemnity**

- (1) Contractor shall indemnify, defend and hold harmless DHCS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHCS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by

Contractor or DHCS and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. DHCS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHCS.

- (2) Should any Intellectual Property licensed by the Contractor to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHCS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHCS shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate DHCS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHCS would suffer irreparable harm in the event of such breach and agrees DHCS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

#### **h. Federal Funding**

In any agreement funded in whole or in part by the federal government, DHCS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

#### **i. Survival**

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

### **11. Air or Water Pollution Requirements**

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

### **12. Prior Approval of Training Seminars, Workshops or Conferences**

Contractor shall obtain prior DHCS approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

**13. Confidentiality of Information**

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

**14. Documents, Publications and Written Reports**

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

**15. Dispute Resolution Process**

- a. A Contractor grievance exists whenever there is a dispute arising from DHCS' action in the administration of an agreement. If there is a dispute or grievance between the Contractor and DHCS, the Contractor must seek resolution using the procedure outlined below.
  - (1) The Contractor should first informally discuss the problem with the DHCS Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
  - (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's

- decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Health and Safety Code Section 100171.
  - c. Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS Program Contract Manager.
  - d. There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

#### 16. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code Section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code Section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
  - (1) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives \$25,000 or more from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, ***and/or***
  - (2) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, ***and/or***
  - (3) ***If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$500,000 or more in Federal awards;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:
    - (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
    - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.

- (4) If the Contractor submits to DHCS a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$500,000 or more in federal funds for the year covered by the audit report.
- d. Two copies of the audit report shall be delivered to the DHCS program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHCS Program Contract Manager shall forward the audit report to DHCS' Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.
  - e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The DHCS program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.
  - f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
  - g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
  - h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
  - i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
  - j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.
  - k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued Standards for *Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

## 17. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

**18. Novation Requirements**

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

**19. Debarment and Suspension Certification**

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 7 CFR Part 3017, 45 CFR 76, 40 CFR 32 or 34 CFR 85.
- b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
  - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
  - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
  - (5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
  - (6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.
- e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHCS may terminate this Agreement for cause or default.

**20. Smoke-Free Workplace Certification**

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

**21. Covenant Against Contingent Fees**

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, DHCS shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

**22. Payment Withholds**

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, DHCS may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHCS receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

**23. Performance Evaluation**

(Not applicable to grant agreements.)

DHCS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHCS. Negative performance evaluations may be considered by DHCS prior to making future contract awards.

**24. Officials Not to Benefit**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

**25. Four-Digit Date Compliance**

(Applicable to agreements in which Information Technology (IT) services are provided to DHCS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

**26. Prohibited Use of State Funds for Software**

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

**27. Use of Small, Minority Owned and Women's Businesses**

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

**28. Alien Ineligibility Certification**

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

**29. Union Organizing**

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

**30. Contract Uniformity (Fringe Benefit Allowability)**

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
  - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
  - (2) Director's and executive committee member's fees.
  - (3) Incentive awards and/or bonus incentive pay.
  - (4) Allowances for off-site pay.
  - (5) Location allowances.
  - (6) Hardship pay.
  - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
  - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
  - (1) Be necessary and reasonable for the performance of the Agreement.
  - (2) Be determined in accordance with generally accepted accounting principles.
  - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.

## f. Earned/Accrued Compensation

- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
- (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHCS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

**31. Suspension or Stop Work Notification**

- a. DHCS may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the funding Program's Contract Manager. Upon receipt of said notice, the Contractor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within 30 working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from DHCS. The resumption of work (in whole or part) will be at DHCS' discretion and upon receipt of written confirmation.
  - (1) Upon receipt of a suspension or stop work notification, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.
  - (2) Within 90 days of the issuance of a suspension or stop work notification, DHCS shall either:
    - (a) Cancel, extend, or modify the suspension or stop work notification; or
    - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.

- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Contractor may resume work only upon written concurrence of funding Program's Contract Manager.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or contract terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation / Termination, DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. DHCS shall not be liable to the Contractor for loss of profits because of any suspension or stop work notification issued under this clause.

### 32. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

#### a. Certification and Disclosure Requirements

- (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
- (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.
- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
  - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
  - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
  - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHCS Program Contract Manager.

## b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

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**Attachment 1  
State of California  
Department of Health Care Services**

**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

County of Shasta

Name of Contractor

Les Baugh

Printed Name of Person Signing for Contractor

17-94162

Contract / Grant Number

Signature of Person Signing for Contractor

**DATE**

Date

Title

Chairman, Board of Supervisors

After execution by or on behalf of Contractor, please return to:

California Department of Health Care Services

DHCS reserves the right to notify the contractor in writing of an alternate submission address.

## Attachment 2

## CERTIFICATION REGARDING LOBBYING

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure)

Approved by OMB  
0348-0046

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: Year _____ quarter _____ date of last report _____.	
4. Name and Address of Reporting Entity:  <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:			5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:		
Congressional District, If known:			Congressional District, If known:		
6. Federal Department/Agency			7. Federal Program Name/Description:  CDFA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known:  \$		
10.a. Name and Address of Lobbying Registrant (If individual, last name, first name, MI):			b. Individuals Performing Services (including address if different from 10a. (Last name, First name, MI):		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person that fails to file the required disclosure shall be subject to a not more than \$100,000 for each such failure.			Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____		
<b>Federal Use Only</b>				Authorized for Local Reproduction Standard Form-LLL (Rev. 7-97)	

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
 (b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**Exhibit E**  
**Additional Provisions**

**1. Amendment Process**

- A. The Department of Health Care Services (DHCS) may amend the Contract.
- B. Should either party, during the term of this Agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the both parties and the Department of General Services (DGS), if DGS approval is required.
- C. Contract amendments will be required to change encumbered amounts for each year of a multi-year contract period, of which the first amendment will be based on the Governor's Budget Act allocation of that specific fiscal year. The signed contract from the Contractor will be due to DHCS within 90 days from the issuance to the County. If the signed Contract from the Contractor is not received within 90 days from the issuance to the County, DHCS may withhold all non-DMC payments under Exhibit B of this Contract until the required amendment is received by the State.
- D. Contract amendments may be requested by the Contractor until May 1 of each of the contract's fiscal years. An amendment proposed by either the Contractor or the State shall be forwarded in writing to the other party.
  - 1) The proposed amendment submitted by Contractor shall include the proposed changes, and a statement of the reason and basis for the proposed change.
  - 2) Amendments shall be duly approved by the County Board of Supervisors or its authorized designee, and signed by a duly authorized representative.
- E. Contractor acknowledges that any newly allocated funds that are in excess of the initial amount for each fiscal year may be forfeited if DHCS does not receive a fully executable contract amendment on or before June 30, 2018.
- F. State may settle costs for substance use disorder services based on the year-end cost settlement report as the final amendment to the approved single State/County contract.

**2. Cancellation / Termination**

- A. This Agreement may be cancelled by DHCS without cause upon 30 calendar days advance written notice to the Contractor.

**Exhibit E**  
**Additional Provisions**

- B. DHCS reserves the right to cancel or terminate this Agreement immediately for cause. The Contractor may submit a written request to terminate this Agreement only if DHCS substantially fails to perform its responsibilities as provided herein.
- C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this Agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in DHCS' notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to payment for all allowable costs authorized under this Agreement and incurred up to the date of termination or cancellation, including authorized non-cancelable obligations, provided such expenses do not exceed the stated maximum amounts payable.
- G. In the event of changes in law that affect provisions of this Contract, the parties agree to amend the affected provisions to conform to the changes in law retroactive to the effective date of such changes in law. The parties further agree that the terms of this Contract are severable and in the event that changes in law render provisions of the Contract void, the unaffected provisions and obligations of this Contract will remain in full force and effect.
- H. In the event this Contract is terminated, Contractor shall deliver its entire fiscal and program records pertaining to the performance of this Contract to DHCS, which will retain the records for the required retention period.

**3. Avoidance of Conflicts of Interest by Contractor**

- A. DHCS intends to avoid any real or apparent conflict of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, DHCS reserves the right to determine, at its sole discretion, whether any information, assertion or claim received from any source indicates the existence of a real or apparent conflict of interest; and, if a conflict is found to exist, to require the Contractor to submit additional information or a plan for resolving the conflict, subject to DHCS review and prior approval.
- B. Conflicts of interest include, but are not limited to:
  - 1) An instance where the Contractor or any of its subcontractors, or any employee, officer, or director of the Contractor or any subcontractor has an interest, financial or otherwise, whereby the use or disclosure of information obtained while performing services under the Agreement would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the Agreement.
  - 2) An instance where the Contractor's or any subcontractor's employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

**Exhibit E**  
**Additional Provisions**

- C. If DHCS is or becomes aware of a known or suspected conflict of interest, the Contractor will be given an opportunity to submit additional information or to resolve the conflict. A Contractor with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by DHCS to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by DHCS and cannot be resolved to the satisfaction of DHCS, the conflict will be grounds for terminating the Agreement. DHCS may, at its discretion upon receipt of a written request from the Contractor, authorize an extension of the timeline indicated herein.
- D. Contractor acknowledges that state laws on conflict of interest, found in the Political Reform Act, Public Contract Code Section 10365.5, and Government Code Section 1090, apply to this Contract.
- 

**4. Freeze Exemptions**

(Applicable only to local government agencies.)

- A. Contractor agrees that any hiring freeze adopted during the term of this Agreement shall not be applied to the positions funded, in whole or part, by this Agreement.
- B. Contractor agrees not to implement any personnel policy, which may adversely affect performance or the positions funded, in whole or part, by this Agreement.
- C. Contractor agrees that any travel freeze or travel limitation policy adopted during the term of this Agreement shall not restrict travel funded, in whole or part, by this Agreement.
- D. Contractor agrees that any purchasing freeze or purchase limitation policy adopted during the term of this Agreement shall not restrict or limit purchases funded, in whole or part, by this Agreement.

**5. Domestic Partners**

Pursuant to Public Contract Code 10295.3, no state agency may enter into any contract executed or amended after January 1, 2007, for the acquisition of goods or services in the amount of \$100,000 or more with a contractor who, in the provision of benefits, discriminates between employees with spouses and employees with domestic partners, or discriminates between domestic partners and spouses of those employees.

**6. Force Majeure**

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of the offending party. Such acts shall include but not be limited to acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight-embargo, related-utility, or governmental statutes or regulations super-imposed after the fact. If a delay or failure in performance by the Contractor arises out of a default of its Subcontractor, and if such default of its Subcontractor, arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

**Exhibit F**  
**Privacy and Information Security Provisions**

This Exhibit F is intended to protect the privacy and security of specified Department information that the Contractor may access, receive, or transmit under this Agreement. The Department information covered under this Exhibit F consists of: (1) Protected Health Information as defined under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA")(PHI) and (2) Personal Information (PI) as defined under the California Information Practices Act (CIPA), at California Civil Code Section 1798.3. Personal Information may include data provided to the Department by the Social Security Administration.

Exhibit F consists of the following parts:

1. Exhibit F-1, HIPAA Business Associate Addendum, which provides for the privacy and security of PHI.
2. Exhibit F-2, which provides for the privacy and security of PI in accordance with specified provisions of the Agreement between the Department and the Social Security Administration, known as the Information Exchange Agreement (IEA) and the Computer Matching and Privacy Protection Act Agreement between the Social Security Administration and the California Health and Human Services Agency (Computer Agreement) to the extent Contractor access, receives, or transmits PI under these Agreements. Exhibit F-2 further provides for the privacy and security of PI under Civil Code Section 1798.3(a) and 1798.29.
3. Exhibit F-3, Miscellaneous Provision, sets forth additional terms and conditions that extend to the provisions of Exhibit F in its entirety.

**Exhibit F**  
**Privacy and Information Security Provisions**

**F1**  
**HIPAA Business Associate Addendum**

**1. Recitals.**

- A. A business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. Section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations") and the Final Omnibus Rule of 2013 between Department and Contractor arises only to the extent that Contractor creates, receives, maintains, transmits, uses or discloses PHI or ePHI on the Department's behalf, or provides services, arranges, performs, or assists in the performance of functions or activities on behalf of the Department that are included in the definition of "business associate" in 45 CFR. 160.103 where the provision of the service involves the disclosure of PHI or ePHI from the Department, including but not limited to, utilization review, quality assurance, or benefit management. To the extent Contractor performs these services, functions, and activities on behalf of Department, Contractor is the Business Associate of the Department, acting on the Department's behalf. The Department and Contractor are each a party to this Agreement and are collectively referred to as the "parties." A business associate is also directly liable and subject to civil penalties for failing to safeguard electronic protected health information in accordance with the HIPAA Security Rule. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits protected health information on behalf of another business associate. Business Associate shall incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or sub-award to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI or PI be reported to Business Associate.
- B. The Department wishes to disclose to Contractor certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under Federal law, to be used or disclosed in the course of providing services and activities as set forth in Section 1.A. of Exhibit F-1 of this Agreement. This information is hereafter referred to as "Department PHI".
- C. The purpose of this Exhibit F-1 is to protect the privacy and security of the PHI and ePHI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations and the Final Omnibus Rule of 2013, including, but not limited to, the requirement that the Department must enter into a contract containing specific requirements

**Exhibit F**  
**Privacy and Information Security Provisions**

with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act and the Final Omnibus Rule of 2013. To the extent that data is both PHI or ePHI and Personally Identifying Information, both Exhibit F-2 (including Attachment I, the SSA Agreement between SSA, CHHS and DHCS, referred to in Exhibit F-2) and this Exhibit F-1 shall apply.

- D. The terms used in this Exhibit F-1, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

**2. Definitions.**

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations and the Final Omnibus Rule of 2013.
- B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations and the Final Omnibus Rule of 2013.
- C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, HIPAA regulations and the Final Omnibus of 2013.
- D. Department PHI shall mean Protected Health Information or Electronic Protected Health Information, as defined below, accessed by Contractor in a database maintained by the Department, received by Contractor from the Department or acquired or created by Contractor in connection with performing the functions, activities and services on behalf of the Department as specified in Section 1.A. of Exhibit F-1 of this Agreement. The terms PHI as used in this document shall mean Department PHI.
- E. Electronic Health Records shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921 and implementing regulations.
- F. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.
- G. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer, or health care clearinghouse, and relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to

**Exhibit F**  
**Privacy and Information Security Provisions**

believe the information can be used to identify the individual, as set forth under 45 CFR Section 160.103.

- H. Privacy Rule shall mean the HIPAA Regulations that are found at 45 CFR Parts 160 and 164, subparts A and E.
  - I. Protected Health Information (PHI) means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR Section 160.103 and as defined under HIPAA.
  - J. Required by law, as set forth under 45 CFR Section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
  - K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
  - L. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of Department PHI, or confidential data utilized by Contractor to perform the services, functions and activities on behalf of Department as set forth in Section 1.A. of Exhibit F-1 of this Agreement; or interference with system operations in an information system that processes, maintains or stores Department PHI.
  - M. Security Rule shall mean the HIPAA regulations that are found at 45 CFR Parts 160 and 164.
  - N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. Section 17932(h), any guidance issued by the Secretary pursuant to such Act and the HIPAA regulations.
- 3. Terms of Agreement.**
- A. **Permitted Uses and Disclosures of Department PHI by Contractor.**

Except as otherwise indicated in this Exhibit F-1, Contractor may use or disclose Department PHI only to perform functions, activities, or services specified in Section 1.A of Exhibit F-1 of this Agreement, for, or on behalf of the Department,

**Exhibit F**  
**Privacy and Information Security Provisions**

provided that such use or disclosure would not violate the HIPAA regulations or the limitations set forth in 42 CFR Part 2, or any other applicable law, if done by the Department. Any such use or disclosure, if not for purposes of treatment activities of a health care provider as defined by the Privacy Rule, must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR Section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, and the HIPAA regulations.

- B. Specific Use and Disclosure Provisions.** Except as otherwise indicated in this Exhibit F-1, Contractor may:
- 1) **Use and Disclose for Management and Administration.** Use and disclose Department PHI for the proper management and administration of the Contractor's business, provided that such disclosures are required by law, or the Contractor obtains reasonable assurances from the person to whom the information is disclosed, in accordance with section D(7) of this Exhibit F-1, that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Contractor of any instances of which it is aware that the confidentiality of the information has been breached.
  - 2) **Provision of Data Aggregation Services.** Use Department PHI to provide data aggregation services to the Department to the extent requested by the Department and agreed to by Contractor. Data aggregation means the combining of PHI created or received by the Contractor, as the Business Associate, on behalf of the Department with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the Department
- C. Prohibited Uses and Disclosures**
- 1) Contractor shall not disclose Department PHI about an individual to a health plan for payment or health care operations purposes if the Department PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. Section 17935(a) and 45 CFR Section 164.522(a).
  - 2) Contractor shall not directly or indirectly receive remuneration in exchange for Department PHI.

**Exhibit F**  
**Privacy and Information Security Provisions**

**D. Responsibilities of Contractor**

Contractor agrees:

- 1) **Nondisclosure.** Not to use or disclose Department PHI other than as permitted or required by this Agreement or as required by law, including but not limited to 42 CFR Part 2.
- 2) **Compliance with the HIPAA Security Rule.** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section 164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.
- 3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
  - a. Complying with all of the data system security precautions listed in Attachment A, Data Security Requirements.
  - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement.
  - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.
- 4) **Security Officer.** Contractor shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with

**Exhibit F**  
**Privacy and Information Security Provisions**

the Department.

- 5) **Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Department PHI by Contractor or its subcontractors in violation of the requirements of this Exhibit F.
- 6) **Reporting Unauthorized Use or Disclosure.** To report to Department any use or disclosure of Department PHI not provided for by this Exhibit F of which it becomes aware.
- 7) **Contractor's Agents and Subcontractors.**
  - a. To enter into written agreements with any agents, including subcontractors and vendors to whom Contractor provides Department PHI, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Contractor with respect to such Department PHI under this Exhibit F, and that require compliance with all applicable provisions of HIPAA, the HITECH Act the HIPAA regulations, and the Final Omnibus Rule of 2013 including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI. As required by HIPAA, the HITECH Act, the HIPAA regulations and the Final Omnibus Rule of 2013 , including 45 CFR Sections 164.308 and 164.314, Contractor shall incorporate, when applicable, the relevant provisions of this Exhibit F-1 into each subcontract or sub-award to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI be reported to Contractor.
  - b. In accordance with 45 CFR Section 164.504(e)(1)(ii), upon Contractor's knowledge of a material breach or violation by its subcontractor of the agreement between Contractor and the subcontractor, Contractor shall:
    - i) Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by the Department; or
    - ii) Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

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**8) Availability of Information to the Department and Individuals to Provide Access and Information:**

- a. To provide access as the Department may require, and in the time and manner designated by the Department (upon reasonable notice and during Contractor's normal business hours) to Department PHI in a Designated Record Set, to the Department (or, as directed by the Department), to an Individual, in accordance with 45 CFR Section 164.524.  

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Designated Record Set means the group of records maintained for the Department health plan under this Agreement that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for the Department health plan for which Contractor is providing services under this Agreement; or those records used to make decisions about individuals on behalf of the Department. Contractor shall use the forms and processes developed by the Department for this purpose and shall respond to requests for access to records transmitted by the Department within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.
- b. If Contractor maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Contractor shall provide such information in an electronic format to enable the Department to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. Section 17935(e) and the HIPAA regulations.

**9) Confidentiality of Alcohol and Drug Abuse Patient Records.** Contractor agrees to comply with all confidentiality requirements set forth in Title 42 Code of Federal Regulations, Chapter I, Subchapter A, Part 2. Contractor is aware that criminal penalties may be imposed for a violation of these confidentiality requirements.

**10) Amendment of Department PHI.** To make any amendment(s) to Department PHI that were requested by a patient and that the Department directs or agrees should be made to assure compliance with 45 CFR Section 164.526, in the time and manner designated by the Department, with the Contractor being given a minimum of twenty days within which to make the amendment.

**11) Internal Practices.** To make Contractor's internal practices, books, and records relating to the use and disclosure of Department PHI available to the Department or to the Secretary, for purposes of determining the Department's compliance with the HIPAA regulations. If any information

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needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Contractor, Contractor shall provide written notification to the Department and shall set forth the efforts it made to obtain the information.

- 12) **Documentation of Disclosures.** To document and make available to the Department or (at the direction of the Department) to an individual such disclosures of Department PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of such PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR Section 164.528 and 42 U.S.C. Section 17935(c). If Contractor maintains electronic health records for the Department as of January 1, 2009 and later, Contractor must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.
- 13) **Breaches and Security Incidents.** During the term of this Agreement, Contractor agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

- a. **Initial Notice to the Department.** (1) To notify the Department **immediately by telephone call or email or fax** upon the discovery of a breach of unsecured PHI in electronic media or in any other media if the PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person. (2) To notify the Department **within 24 hours (one hour if SSA data) by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement or this Exhibit F-1 or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Contractor.

Notice shall be provided to the Information Protection Unit, Office of HIPAA Compliance. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notice shall be provided by calling the Information Protection Unit (916) 445-4646, (866) 866-0602 or by emailing [privacyofficer@dhcs.ca.gov](mailto:privacyofficer@dhcs.ca.gov). Notice shall be made using the DHCS "Privacy Incident Report" form, including all information known at the time. Contractor shall use the most

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current version of this form, which is posted on the DHCS Information Security Officer website ([www.dhcs.ca.gov](http://www.dhcs.ca.gov), then select "Privacy" in the left column and then "Business Partner" near the middle of the page) or use this link:  
<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of Department PHI, Contractor shall take:

- i) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment.
  - ii) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
- b. **Investigation and Investigation Report.** To immediately investigate such suspected security incident, security incident, breach, or unauthorized access, use or disclosure of PHI. Within 72 hours of the discovery, Contractor shall submit an updated "Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the Information Protection Unit.
- c. **Complete Report.** To provide a complete report of the investigation to the Department Program Contract Manager and the Information Protection Unit within ten working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, and the HIPAA regulations. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If the Department requests information in addition to that listed on the "Privacy Incident Report" form, Contractor shall make reasonable efforts to provide the Department with such information. If, because of the circumstances of the incident, Contractor needs more than ten working days from the discovery to submit a complete report, the Department may grant a reasonable extension of time, in which case Contractor shall submit periodic updates until the complete report is submitted. If necessary, a Supplemental Report may be used to submit revised

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or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "Privacy Incident Report" form. The Department will review and approve the determination of whether a breach occurred and whether individual notifications and a corrective action plan are required.

- d. **Responsibility for Reporting of Breaches.** If the cause of a breach of Department PHI is attributable to Contractor or its agents, subcontractors or vendors, Contractor is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary (after obtaining prior written approval of DHCS). If a breach of unsecured Department PHI involves more than 500 residents of the State of California or under its jurisdiction, Contractor shall first notify DHCS, then the Secretary of the breach immediately upon discovery of the breach. If a breach involves more than 500 California residents, Contractor shall also provide, after obtaining written prior approval of DHCS, notice to the Attorney General for the State of California, Privacy Enforcement Section. If Contractor has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents, or vendors may report the breach or incident to the Department in addition to Contractor, Contractor shall notify the Department, and the Department and Contractor may take appropriate action to prevent duplicate reporting.
- e. **Responsibility for Notification of Affected Individuals.** If the cause of a breach of Department PHI is attributable to Contractor or its agents, subcontractors or vendors and notification of the affected individuals is required under state or Federal law, Contractor shall bear all costs of such notifications as well as any costs associated with the breach. In addition, the Department reserves the right to require Contractor to notify such affected individuals, which notifications shall comply with the requirements set forth in 42U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days after discovery of the breach. The Department Privacy Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made. The Department will provide its review and approval expeditiously and without unreasonable delay.
- f. **Department Contact Information.** To direct communications to the above referenced Department staff, the Contractor shall

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initiate contact as indicated herein. The Department reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

<b>Department Program Contract Manager</b>	<b>DHCS Privacy Officer</b>	<b>DHCS Information Security Officer</b>
See the Exhibit A, Scope of Work for Program Contract Manager information	Information Protection Unit c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 (916) 445-4646; (866) 866-0602  Email: <a href="mailto:privacyofficer@dhcs.ca.gov">privacyofficer@dhcs.ca.gov</a>  Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413  Email: <a href="mailto:iso@dhcs.ca.gov">iso@dhcs.ca.gov</a>  Telephone: ITSD Service Desk (916) 440-7000; (800) 579-0874  Fax: (916) 440-5537

- 14) **Termination of Agreement.** In accordance with Section 13404(b) of the HITECH Act and to the extent required by the HIPAA regulations, if Contractor knows of a material breach or violation by the Department of this Exhibit F-1, it shall take the following steps:
- a. Provide an opportunity for the Department to cure the breach or end the violation and terminate the Agreement if the Department does not cure the breach or end the violation within the time specified by Contractor or
  - b. Immediately terminate the Agreement if the Department has breached a material term of the Exhibit F-1 and cure is not possible.
- 15) **Sanctions and/or Penalties.** Contractor understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Contractors may result in the imposition of sanctions and/or penalties on Contractor under HIPAA, the HITECH Act and the HIPAA regulations.

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**E. Obligations of the Department.**

The Department agrees to:

- 1) **Permission by Individuals for Use and Disclosure of PHI.** Provide the Contractor with any changes in, or revocation of, permission by an Individual to use or disclose Department PHI, if such changes affect the Contractor's permitted or required uses and disclosures.
- 2) **Notification of Restrictions.** Notify the Contractor of any restriction to the use or disclosure of Department PHI that the Department has agreed to in accordance with 45 CFR Section 164.522, to the extent that such restriction may affect the Contractor's use or disclosure of PHI.
- 3) **Requests Conflicting with HIPAA Rules.** Not request the Contractor to use or disclose Department PHI in any manner that would not be permissible under the HIPAA regulations if done by the Department.
- 4) **Notice of Privacy Practices.** Provide Contractor with the web link to the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR Section 164.520, as well as any changes to such notice. Visit the DHCS website to view the most current Notice of Privacy Practices at: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/NoticeofPrivacyPractices.aspx> or the DHCS website at [www.dhcs.ca.gov](http://www.dhcs.ca.gov) (select "Privacy in the right column and "Notice of Privacy Practices" on the right side of the page).

**F. Audits, Inspection and Enforcement**

If Contractor is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office for Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Exhibit F-1, Contractor shall immediately notify the Department. Upon request from the Department, Contractor shall provide the Department with a copy of any Department PHI that Contractor, as the Business Associate, provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI to the Secretary. Contractor is responsible for any civil penalties assessed due to an audit or investigation of Contractor, in accordance with 42 U.S.C. Section 17934(c).

**G. Termination.**

- 1) **Term.** The Term of this Exhibit F-1 shall extend beyond the termination of the Agreement and shall terminate when all Department PHI is destroyed or returned to the Department, in accordance with 45 CFR Section 164.504(e)(2)(ii)(J).
- 2) **Termination for Cause.** In accordance with 45 CFR Section 164.504(e)(1)(iii), upon the Department's knowledge of a material breach or

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violation of this Exhibit F-1 by Contractor, the Department shall:

- a. Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by the Department or
- b. Immediately terminate this Agreement if Contractor has breached a material term of this Exhibit F-1 and cure is not possible.

**F-2**

**Privacy and Security of Personal Information and Personally Identifiable Information Not Subject to HIPAA**

**1. Recitals.**

- A. In addition to the Privacy and Security Rules under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) the Department is subject to various other legal and contractual requirements with respect to the personal information (PI) and personally identifiable information (PII) it maintains. These include:
  - 1) The California Information Practices Act of 1977 (California Civil Code §§1798 et seq.).
  - 2) The Agreement between the Social Security Administration (SSA) and the Department, known as the Information Exchange Agreement (IEA), which incorporates the Computer Matching and Privacy Protection Act Agreement (CMPPA) between the SSA and the California Health and Human Services Agency. The IEA, including the CMPPA is attached to this Exhibit F as Attachment I and is hereby incorporated in this Agreement.
  - 3) Title 42 CFR, Chapter I, Subchapter A, Part 2.
- B. The purpose of this Exhibit F-2 is to set forth Contractor's privacy and security obligations with respect to PI and PII that Contractor may create, receive, maintain, use, or disclose for, or on behalf of Department, pursuant to this Agreement. Specifically this Exhibit applies to PI and PII which is not Protected Health Information (PHI) as defined by HIPAA and therefore is not addressed in Exhibit F-1 of this Agreement, the HIPAA Business Associate Addendum; however, to the extent that data is both PHI or ePHI and PII, both Exhibit F-1 and this Exhibit F-2 shall apply.
- C. The IEA Agreement referenced in A. 2) above requires the Department to extend its substantive privacy and security terms to subcontractors who receive data provided to DHCS by the Social Security Administration. If Contractor receives data from DHCS that includes data provided to DHCS by the Social Security Administration, Contractor must comply with the following specific sections of the IEA Agreement: E. Security Procedures, F. Contractor/Agent Responsibilities,

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and G. Safeguarding and Reporting Responsibilities for Personally Identifiable Information ("PII"), and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the Social Security Administration. Contractor must also ensure that any agents, including a subcontractor, to whom it provides DHCS data that includes data provided by the Social Security Administration, agree to the same requirements for privacy and security safeguards for such confidential data that apply to Contractor with respect to such information.

- D. The terms used in this Exhibit F-2, but not otherwise defined, shall have the same meanings as those terms have in the above referenced statute and Agreement. Any reference to statutory, regulatory, or contractual language shall be to such language as in effect or as amended.

**2. Definitions.**

- A. "Breach" shall have the meaning given to such term under the IEA and CMPPA. It shall include a "PII loss" as that term is defined in the CMPPA.
- B. "Breach of the security of the system" shall have the meaning given to such term under the California Information Practices Act, Civil Code section 1798.29(f).
- C. "CMPPA Agreement" means the Computer Matching and Privacy Protection Act Agreement between the Social Security Administration and the California Health and Human Services Agency (CHHS).
- D. "Department PI" shall mean Personal Information, as defined below, accessed in a database maintained by the Department, received by Contractor from the Department or acquired or created by Contractor in connection with performing the functions, activities and services specified in this Agreement on behalf of the Department.
- E. "IEA" shall mean the Information Exchange Agreement currently in effect between the Social Security Administration (SSA) and the California Department of Health Care Services (DHCS).
- F. "Notice-triggering Personal Information" shall mean the personal information identified in Civil Code section 1798.29 whose unauthorized access may trigger notification requirements under Civil Code section 1798.29. For purposes of this provision, identity shall include, but not be limited to, name, address, email address, identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print, a photograph or a biometric identifier. Notice-triggering Personal Information includes PI in electronic, paper or any other medium.
- G. "Personally Identifiable Information" (PII) shall have the meaning given to such term in the IEA and CMPPA.

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- H. "Personal Information" (PI) shall have the meaning given to such term in California Civil Code Section 1798.3(a).
- I. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- J. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PI, or confidential data utilized in complying with this Agreement; or interference with system operations in an information system that processes, maintains or stores PI.

**3. Terms of Agreement**

**A. Permitted Uses and Disclosures of Department PI and PII by Contractor**

Except as otherwise indicated in this Exhibit F-2, Contractor may use or disclose Department PI only to perform functions, activities or services for or on behalf of the Department pursuant to the terms of this Agreement provided that such use or disclosure would not violate the California Information Practices Act (CIPA) if done by the Department.

**B. Responsibilities of Contractor**

Contractor agrees:

- 1) **Nondisclosure.** Not to use or disclose Department PI or PII other than as permitted or required by this Agreement or as required by applicable state and Federal law.
- 2) **Safeguards.** To implement appropriate and reasonable administrative, technical, and physical safeguards to protect the security, confidentiality and integrity of Department PI and PII, to protect against anticipated threats or hazards to the security or integrity of Department PI and PII, and to prevent use or disclosure of Department PI or PII other than as provided for by this Agreement. Contractor shall develop and maintain a written information privacy and security program that include administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, which

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incorporate the requirements of section 3, Security, below. Contractor will provide DHCS with its current policies upon request.

- 3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
  - a. Complying with all of the data system security precautions listed in Attachment A, Business Associate Data Security Requirements;
  - b. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
  - c. If the data obtained by Contractor from DHCS includes PII, Contractor shall also comply with the substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between the SSA and DHCS, known as the Information Exchange Agreement, which are attached as Attachment I and incorporated into this Agreement. The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. Contractor also agrees to ensure that any agents, including a subcontractor to whom it provides DHCS PII, agree to the same requirements for privacy and security safeguards for confidential data that apply to Contractor with respect to such information.
- 4) **Mitigation of Harmful Effects.** To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Department PI or PII by Contractor or its subcontractors in violation of this Exhibit F-2.
- 5) **Contractor's Agents and Subcontractors.** To impose the same restrictions and conditions set forth in this Exhibit F-2 on any subcontractors or other agents with whom Contractor subcontracts any activities under this Agreement that involve the disclosure of Department PI or PII to the subcontractor.
- 6) **Availability of Information to DHCS.** To make Department PI and PII available to the Department for purposes of oversight, inspection,

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amendment, and response to requests for records, injunctions, judgments, and orders for production of Department PI and PII. If Contractor receives Department PII, upon request by DHCS, Contractor shall provide DHCS with a list of all employees, contractors and agents who have access to Department PII, including employees, contractors and agents of its subcontractors and agents.

- 7) **Cooperation with DHCS.** With respect to Department PI, to cooperate with and assist the Department to the extent necessary to ensure the Department's compliance with the applicable terms of the CIPA including, but not limited to, accounting of disclosures of Department PI, correction of errors in Department PI, production of Department PI, disclosure of a security breach involving Department PI and notice of such breach to the affected individual(s).
- 8) **Confidentiality of Alcohol and Drug Abuse Patient Records.** Contractor agrees to comply with all confidentiality requirements set forth in Title 42 Code of Federal Regulations, Chapter I, Subchapter A, Part 2. Contractor is aware that criminal penalties may be imposed for a violation of these confidentiality requirements.
- 9) **Breaches and Security Incidents.** During the term of this Agreement, Contractor agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:
  - a. Initial Notice to the Department. (1) To notify the Department **immediately by telephone call or email or fax** upon the discovery of a breach of unsecured Department PI or PII in electronic media or in any other media if the PI or PII was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, or upon discovery of a suspected security incident involving Department PII. (2) To notify the Department **within one (1) hour by email or fax** if the data is data subject to the SSA Agreement; and **within 24 hours by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized access, use or disclosure of Department PI or PII in violation of this Agreement or this Exhibit F-1 or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Contractor.
  - b. Notice shall be provided to the Information Protection Unit, Office of HIPAA Compliance. If the incident occurs after business hours or on a weekend or holiday and involves electronic Department PI or PII, notice shall be provided by calling the Department

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Information Security Officer. Notice shall be made using the DHCS "Privacy Incident Report" form, including all information known at the time. Contractor shall use the most current version of this form, which is posted on the DHCS Information Security Officer website ([www.dhcs.ca.gov](http://www.dhcs.ca.gov), then select "Privacy" in the left column and then "Business Partner" near the middle of the page) or use this link: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>.

- c. Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of Department PI or PII, Contractor shall take:
  - i. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and
  - ii. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
- d. **Investigation and Investigation Report.** To immediately investigate such suspected security incident, security incident, breach, or unauthorized access, use or disclosure of PHI. Within 72 hours of the discovery, Contractor shall submit an updated "Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the Department Information Security Officer.
- e. **Complete Report.** To provide a complete report of the investigation to the Department Program Contract Manager and the Information Protection Unit within ten working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If the Department requests information in addition to that listed on the "Privacy Incident Report" form, Contractor shall make reasonable efforts to provide the Department with such information. If, because of the circumstances of the incident, Contractor needs more than ten working days from the discovery to submit a complete report, the Department may grant a reasonable extension of time, in which case Contractor shall submit periodic updates until the complete report is submitted. If necessary, a Supplemental Report may be used to submit revised or additional information after the

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completed report is submitted, by submitting the revised or additional information on an updated "Privacy Incident Report" form. The Department will review and approve the determination of whether a breach occurred and whether individual notifications and a corrective action plan are required.

- f. **Responsibility for Reporting of Breaches.** If the cause of a breach of Department PI or PII is attributable to Contractor or its agents, subcontractors or vendors, Contractor is responsible for all required reporting of the breach as specified in CIPA, section 1798.29 and as may be required under the IEA. Contractor shall bear all costs of required notifications to individuals as well as any costs associated with the breach. The Privacy Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made. The Department will provide its review and approval expeditiously and without unreasonable delay.
- g. If Contractor has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to the Department in addition to Contractor, Contractor shall notify the Department, and the Department and Contractor may take appropriate action to prevent duplicate reporting.
- h. **Department Contact Information.** To direct communications to the above referenced Department staff, the Contractor shall initiate contact as indicated herein. The Department reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

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<b>Department Program Contract Manager</b>	<b>DHCS Privacy Officer</b>	<b>DHCS Information Security Officer</b>
See the Exhibit A, Scope of Work for Program Contract Manager information	Information Protection Unit c/o: Office of HIPAA Compliance Department of Health Care Services P.O. Box 997413, MS 4722 Sacramento, CA 95899-7413 (916) 445-4646 Email: <a href="mailto:privacyofficer@dhcs.ca.gov">privacyofficer@dhcs.ca.gov</a>  Telephone: (916) 445-4646  Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413  Email: <a href="mailto:iso@dhcs.ca.gov">iso@dhcs.ca.gov</a>  Telephone: ITSD Service Desk (916) 440-7000 or (800) 579-0874  Fax: (916) 440-5537

**10) Designation of Individual Responsible for Security**

Contractor shall designate an individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for carrying out the requirements of this Exhibit F-2 and for communicating on security matters with the Department.

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**F-3**  
**Miscellaneous Terms and Conditions**

**Applicable to Exhibit F**

- 1) **Confidentiality of Alcohol and Drug Abuse Patient Records.** Contractor agrees to comply with all confidentiality requirements set forth in Title 42 Code of Federal Regulations, Chapter I, Subchapter A, Part 2. Contractor is aware that criminal penalties may be imposed for a violation of these confidentiality requirements.
- 2) **Disclaimer.** The Department makes no warranty or representation that compliance by Contractor with this Exhibit F, HIPAA or the HIPAA regulations will be adequate or satisfactory for Contractor's own purposes or that any information in Contractor's possession or control, or transmitted or received by Contractor, is or will be secure from unauthorized use or disclosure. Contractor is solely responsible for all decisions made by Contractor regarding the safeguarding of the Department PHI, PI and PII.
- 3) **Amendment.** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Exhibit F may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations, and other applicable state and Federal laws. Upon either party's request, the other party agrees to promptly enter into negotiations concerning an amendment to this Exhibit F embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, and the HIPAA regulations, and other applicable state and Federal laws. The Department may terminate this Agreement upon thirty (30) days written notice in the event:
  - a) Contractor does not promptly enter into negotiations to amend this Exhibit F when requested by the Department pursuant to this section; or
  - b) Contractor does not enter into an amendment providing assurances regarding the safeguarding of Department PHI that the Department deems is necessary to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- 4) **Judicial or Administrative Proceedings.** Contractor will notify the Department if it is named as a defendant in a criminal proceeding for a violation of HIPAA or other security or privacy law. The Department may terminate this Agreement if Contractor is found guilty of a criminal violation of HIPAA. The Department may terminate this Agreement if a finding or stipulation that the Contractor has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Contractor is a party or has been joined. DHCS will

**Exhibit F**  
**Privacy and Information Security Provisions**

consider the nature and seriousness of the violation in deciding whether or not to terminate the Agreement.

- 5) **Assistance in Litigation or Administrative Proceedings.** Contractor shall make itself and any subcontractors, employees, or agents assisting Contractor in the performance of its obligations under this Agreement, available to the Department at no cost to the Department to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the Department, its directors, officers or employees based upon claimed violation of HIPAA, or the HIPAA regulations, which involves inactions or actions by the Contractor, except where Contractor or its subcontractor, employee or agent is a named adverse party.
- 6) **No Third-Party Beneficiaries.** Nothing expressed or implied in the terms and conditions of this Exhibit F is intended to confer, nor shall anything herein confer, upon any person other than the Department or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- 7) **Interpretation.** The terms and conditions in this Exhibit F shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, and the HIPAA regulations. The parties agree that any ambiguity in the terms and conditions of this Exhibit F shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations, and, if applicable, any other relevant state and Federal laws.
- 8) **Conflict.** In case of a conflict between any applicable privacy or security rules, laws, regulations or standards the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI, PI and PII from unauthorized disclosure. Further, Contractor must comply within a reasonable period of time with changes to these standards that occur after the effective date of this Agreement.
- 9) **Regulatory References.** A reference in the terms and conditions of this Exhibit F to a section in the HIPAA regulations means the section as in effect or as amended.
- 10) **Survival.** The respective rights and obligations of Contractor under Section 3, Item D of Exhibit F-1, and Section 3, Item B of Exhibit F-2, Responsibilities of Contractor, shall survive the termination or expiration of this Agreement.
- 11) **No Waiver of Obligations.** No change, waiver, or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

**Exhibit F**  
**Privacy and Information Security Provisions**

- 12) **Audits, Inspection and Enforcement.** From time to time, and subject to all applicable Federal and state privacy and security laws and regulations, the Department may conduct a reasonable inspection of the facilities, systems, books and records of Contractor to monitor compliance with this Exhibit F. Contractor shall promptly remedy any violation of any provision of this Exhibit F. The fact that the Department inspects, or fails to inspect, or has the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this Exhibit F. The Department's failure to detect a non-compliant practice, or a failure to report a detected non-compliant practice to Contractor does not constitute acceptance of such practice or a waiver of the Department's enforcement rights under this Agreement, including this Exhibit F.
- 13) **Due Diligence.** Contractor shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Exhibit F and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and other applicable state and Federal law, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Exhibit F.
- 14) **Term.** The Term of this Exhibit F-1 shall extend beyond the termination of the Agreement and shall terminate when all Department PHI is destroyed or returned to the Department, in accordance with 45 CFR Section 164.504(e)(2)(ii)(I), and when all Department PI and PII is destroyed in accordance with Attachment A.
- 14) **Effect of Termination.** Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all Department PHI, PI and PII that Contractor still maintains in any form, and shall retain no copies of such PHI, PI or PII. If return or destruction is not feasible, Contractor shall notify the Department of the conditions that make the return or destruction infeasible, and the Department and Contractor shall determine the terms and conditions under which Contractor may retain the PHI, PI or PII. Contractor shall continue to extend the protections of this Exhibit F to such Department PHI, PI and PII, and shall limit further use of such data to those purposes that make the return or destruction of such data infeasible. This provision shall apply to Department PHI, PI and PII that is in the possession of subcontractors or agents of Contractor.

**Exhibit F**  
**Privacy and Information Security Provisions**

**Attachment I**  
**Business Associate Data Security Requirements**

**I. Personnel Controls**

**A. *Employee Training.*** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.

**B. *Employee Discipline.*** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.

**C. *Confidentiality Statement.*** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.

**D. *Background Check.*** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

**II. Technical Security Controls**

**A. *Workstation/Laptop encryption.*** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.

**B. *Server Security.*** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

**C. *Minimum Necessary.*** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.

**Exhibit F**  
**Privacy and Information Security Provisions**

**D.     *Removable media devices.*** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

**E.     *Antivirus software.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

**F.     *Patch Management.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.

**G.     *User IDs and Password Controls.*** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

**H.     *Data Destruction.*** When no longer needed, all DHCS PHI or PI must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.

**I.     *System Timeout.*** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.

**J.     *Warning Banners.*** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.

**K.     *System Logging.*** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to

**Exhibit F**  
**Privacy and Information Security Provisions**

authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.

**L. Access Controls.** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.

**M. Transmission encryption.** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.

**N. Intrusion Detection.** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

**III. Audit Controls**

**A. System Security Review.** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

**B. Log Reviews.** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.

**C. Change Control.** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

**IV. Business Continuity / Disaster Recovery Controls**

**A. Emergency Mode Operation Plan.** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

**B. Data Backup Plan.** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

**Exhibit F**  
**Privacy and Information Security Provisions**

**V. Paper Document Controls**

**A. *Supervision of Data.*** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

**B. *Escorting Visitors.*** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.

**C. *Confidential Destruction.*** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.

**D. *Removal of Data.*** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.

**E. *Faxing.*** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.

**F. *Mailing.*** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

## CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over \$100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: For contracts over \$100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. EMPLOYER DISCRIMINATORY POLICIES: For contracts over \$100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

### CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. <i>Proposer/Bidder Firm Name (Printed)</i>  <i>County of Shasta</i>		<i>Federal ID Number</i>  94-6000535
<i>By (Authorized Signature)</i>  		
<i>Printed Name and Title of Person Signing</i>  Les Baugh, Chairman, Board of Supervisors		
<i>Date Executed</i>  	<i>Executed in the County and State of</i>  Shasta, California	

CCC 04/2017

**CERTIFICATION**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i> County of Shasta		<i>Federal ID Number</i> 94-6000535
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i> Les Baugh, Chairman, Board of Supervisors		
<i>Date Executed</i>	<i>Executed in the County of</i> Shasta	

**CONTRACTOR CERTIFICATION CLAUSES**

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) 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 Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

### **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: 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 (Pub. Contract Code §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 (Pub. Contract Code §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. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. 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.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: 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.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

You may request a copy of State of California,  
Department of Health Care Services,  
Agreement Number 17-94162, Exhibit F,  
Attachment I – Social Security Administration  
Agreement, by calling HHSA Adult Services  
Branch at (530) 225-5900.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Health and Human Services-7.

**SUBJECT:**

Renewal to Agreement with Shasta County Office of Education.

**DEPARTMENT:** Health and Human Services Agency-Children's Services

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Dianna L. Wagner, Branch Director, Children's Services (530) 225-5705

**STAFF REPORT APPROVED BY:** Dianna L. Wagner, Branch Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Approve and authorize the Chairman to sign a retroactive renewal agreement with the Shasta County Office of Education in an amount not to exceed \$39,268 per fiscal year to provide foster youth education services to eligible youth in foster care or in the Juvenile Rehabilitation Facility for the period July 1, 2017 through June 30, 2020.

**SUMMARY**

This agreement will allow Shasta County Office of Education (SCOE) to continue to provide services to support foster youth's success in school by locating and recording educational records of foster youth, as well as facilitating their transfer from one school to another as needed.

**DISCUSSION**

In Shasta County, between seventy-five and eighty-five percent of eligible foster youth complete high school each year. This rate of success is largely due to the work of Social Workers and SCOE staff tracking students' grades, class credits and progress toward graduation. With approval of this agreement, SCOE will continue to provide education support services to eligible Shasta County youth in foster care, or in county operated juvenile detention facilities.

SCOE has successfully provided this service since July 2000. Through this agreement, SCOE effectively maintains education records and data required by the California Department of Social Services.

Services provided by SCOE include locating, obtaining, inputting and updating educational records in the Child Welfare Electronic Record, in the Health and Educational Passport, an individual record for each child/youth, and when necessary, ensure that the child's educational records are transferred to the child's new school district when a change in placement occurs. Tracking and transferring educational information from one school district to another is particularly important to ensuring that credits toward high school graduation are not lost through placement changes. Additionally, information in the educational passport assists the Social Workers in ensuring that caregivers are informed of the child's educational needs.

SCOE provides additional educational advocacy and support activities for foster youth with funding from the California Department of Education. SCOE staff are co-located with Children’s Services staff and have a close working relationship that benefits foster youth.

Due to regulatory changes to the State funding processes and delayed negotiations this agreement is retroactive.

For efficiency, this agreement also allows for the HHSA Director, or his designee, to make budget amendments which are (1) not in excess of 10 percent of the total Budget Category, or (2) across Budget Categories and do not make a substantial or functional change to the original intent of the agreement or cause an increase to the maximum amount payable under this agreement, and otherwise comply with Administrative Policy 6-101 (Shasta County Contracts Manual).

**ALTERNATIVES**

The Board may choose not to approve this agreement and direct HHSA Children’s Services to assume responsibility for maintaining the educational data that is required by the California Department of Social Services.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the agreement as to form. Risk Management has approved the agreement. This recommendation has been reviewed by the County Administrative Office.

**FINANCING**

This agreement is funded through Federal Child Welfare Services funding and 2011 Realignment. SCOE provides the County share of cost required by the Child Welfare Services allocation that funds this agreement. HHSA/Children’s Services’ FY 2017-18 Adopted Budget includes sufficient appropriation authority for the activities described in this agreement. There is no additional General Fund impact associated with this recommendation.

Title IV-E of the Social Security Act, enacted as part of the Adoption Assistance and Child Welfare Act of 1980, provides federal funds in support of certain child welfare activities. County agencies receive these federal funds by submitting claims for allowable expenses to CDSS. The CDSS then “passes through” the funds onto the County.

The maximum obligation of County under this agreement shall be \$117,804 per County Fiscal Year or the actual federal share of allowable costs, whichever is less. County shall submit a quarterly claim to California Department of Social Services (CDSS) for reimbursement from Title IV-E for allowable activities. Upon receipt of the reimbursement, County will provide to Consultant at the conclusion of each quarter the calculated federal discount rate based on the number of foster care children not eligible for Title IV-E reimbursement.

SCOE is responsible for the match amount, which is estimated at 63% of the total program cost, representing the non-federal share of cost calculated at the federal discount rate.

**ATTACHMENTS:**

Description	Upload Date	Description
Renewal agreement with Shasta County Office of Education	1/17/2018	Renewal agreement with Shasta County Office of Education

**AGREEMENT BETWEEN THE COUNTY OF SHASTA  
AND  
THE SHASTA COUNTY OFFICE OF EDUCATION**

This agreement is entered into between the County of Shasta, through its Health and Human Services Agency a political subdivision of the State of California, (County), and Shasta County Office of Education (Consultant), (collectively, the “Parties” and individually a “Party”) for the provision of Foster Youth Education Coordinating Program to eligible youth of Shasta County in foster care, or in county-operated juvenile detention facilities.

**Section 1. RESPONSIBILITIES OF CONSULTANT.**

Pursuant to the terms and conditions of this agreement Consultant shall:

- A. Provide Foster Youth Services Coordinating Program (FYSCP), to pupils in foster care as defined in paragraph (b) of Education Code 42238.01.
- B. Provide educational support, as described in the California Department of Social Services All County Letter 16-91 and Education Code section 42921 to pupils in foster care. Consultant shall:
  - 1. Provide to County a Foster Youth Education Coordinator (Coordinator) possessing a practical, working knowledge of the school systems within Shasta County and the procedures that are required in order to access educational records from school districts throughout the State of California.
  - 2. Assure the Coordinator shall possess the skills necessary to, as directed by County, coordinate educational services, for Shasta County children who are delinquent children or dependent children under the jurisdiction of the juvenile court and who are in foster care (Foster Care Student(s)) as follows:
    - a. Deliver consultation services regarding educational issues, to Foster Care Students identified by County as having complex educational needs;
    - b. Refer Foster Care Students to local services designed to support and enhance the educational prospects which may include but is not limited to the following:
      - i. Mentoring;
      - ii. Counseling;
      - iii. Vocational Training;
      - iv. Transitioning Services; and
      - v. Emancipation Services.
    - c. Attend meetings of the County Placement Prevention Resource Team and Wraparound as an educational representative as requested

by County;

- d. Participate in County Children and Family Focused Meetings (CFFMs) related to Foster Care Students (including, but not limited to, issues pertaining to missing educational records, incorrect education information, and clarification of behavior reports);
  - e. Supervise and provide clerical support on an as-needed basis to support Foster Care Student educational needs;
  - f. Facilitate retrieval of each Foster Care Student's educational record and other documentation needed for foster care placement.
3. Collect and enter data, in cooperation with County, to complete the **HEALTH AND EDUCATION PASSPORT, ATTACHMENT A**, herein attached to and incorporated, for each Foster Care Student;
  4. Facilitate educational testing and/or assessment of Foster Care Students entering Shasta County schools.
  5. Develop and provide training and consultation to caregivers, County staff, and community partners relating to the California educational system, and the laws and regulations pertaining thereto, as requested by County.
  6. Develop and maintain collaboration with County programs to provide unified support to Foster Care Students, to minimize changes in school placement, ensure no duplication of activities and serve as a liaison with other school district foster youth liaisons.
  7. Find and evaluate funding sources that could expand educational services to benefit the educational success of Foster Care Students and administer any newly received educational grants that may apply to Foster Care Students.
  8. Support local education agencies in facilitating the prompt transfer of educational records between educational institutions when placement changes are necessary, ensure transfers are done at an educationally appropriate time, ensure appropriate partial credits are awarded and Foster Care Students are quickly enrolled in classes;
  9. Provide education related information to County to assist in delivering services to Foster Care Students, including, but not limited to, educational status and progress information required for inclusion in court reports by Welfare and Institutions Code (WIC) section 16010;
  10. Respond to requests from the juvenile court for information and work with the court to ensure the delivery or coordination of necessary educational services;

11. Facilitate communication between the educational rights holders, caregiver, the teacher, and any other staff or education service providers for the Foster Care Student;
  12. Share information with caregivers regarding available training programs that address education uses for Foster Care Students;
  13. Refer caregivers and educational rights holders of Foster Care Students who have special education needs to special education programs and services;
  14. Facilitate timely Individualized Education Programs, in accordance with the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 *et seq.*), and all special education services;
  15. Establish collaborative relationships and identify local services available to meet the needs of Foster Care Students;
  16. Establish a mechanism for the efficient and expeditious transfer of health and education records and the Health and Education Passport; and
  17. Track data and report on outcomes within the time schedule established in joint agreement with County.
  18. Utilize Foster Focus for education information on Foster Care Students and provide information to County upon request.
- B. Upon written consent of County, Consultant may utilize office equipment owned by Consultant in addition to, or in lieu of, equipment provided by the County; specifically: computers, monitors, telephones, printer/ copier/ fax machines. Consultant will be solely responsible for any cost of installation and maintenance of Consultant owned equipment. All installation or maintenance work to be performed at County facilities must be arranged for and approved in advance by County.
- C. Consultant acknowledges that all staff and volunteers working or providing services under this agreement are not to be considered employees of County and are not entitled to any wages or employee benefits from County.
- D. As required by Government Code section 7550, each document or report prepared by Consultant for or under the direction of County pursuant to this agreement shall contain the numbers and dollar amount of this agreement and all subcontracts under this agreement relating to the preparation of the document or written report. If multiple documents or written reports are prepared pursuant to this agreement or subcontracts, the disclosure section may also contain a statement indicating that the total agreement amount represents compensation for multiple documents or written reports. Consultant shall label the bottom of the last page of the document or report as follows: department name, agreement number, and dollar amount. If more than

one document or report is produced under this agreement, Consultant shall add:  
“This [document or report] is one of [number] produced under this agreement.”

**E. Record Keeping/Reporting.**

1. Consultant shall maintain, in the State of California, and in a form acceptable to County: (i) all books, records, documents, and other evidence pertaining to the costs and expenses incurred by Consultant pursuant to this agreement; and (ii) records concerning the services provided pursuant to this agreement, including, but not limited to, a log of the dates and hours spent providing the services prescribed in Section 1.A of this agreement (collectively, the “Agreement Records”). All Agreement Records shall be open for audit and review by County, and by state and federal agencies, including the California Department of Social Services. Agreement Records shall be kept for a period of at least five years after termination, expiration, or cancellation of this agreement, or until all audits for compliance with the terms, conditions, and specifications of this agreement are completed, whichever is later. This provision shall survive the termination, expiration, or cancellation of this agreement.
2. Consultant shall provide all information pertaining to this agreement necessary for reports required by County, and by the state or federal government. Consultant shall fully cooperate with County in providing any information and/or records needed by any government entity concerning this agreement.
3. Consultant shall, during the term of this agreement, provide a Quarterly Report on October 15; January 15; April 15; and July 15, for the preceding calendar quarter (or portion of the calendar quarter should this agreement be terminated prior to the end of a calendar quarter). For the purposes of this agreement, the calendar quarters are July through September, October through December, January through March, and April through June. Each Quarterly Report shall consist of:
  - a. Statistical data including the number of:
    - i. Health and Education Passports completed (**Attachment A**);
    - ii. Changes in educational placements occurring for each Foster Care Student
    - iii. Foster Care Students who remain in their “School of origin”;
    - iv. Foster Care Students who have current Individualized Education Programs and 504 Plans;
    - v. Foster Care Students who attend nonpublic schools;

- vi. Foster Care Students who graduated from high school with a high school diploma, passed the California High School Proficiency Exam, or passed the General Educational Development Test (GED);
  - vii. Foster Care Students entering higher education institutions or certified training programs upon completion of high school;
  - viii. Foster Care Students who received scholarships for continued education;
  - ix. Foster Care Students who receive suspensions and expulsions;
  - x. Foster Care Students participating in Tutoring Services and Mentoring Program, as contracted by Shasta County Office of Education; and
  - xi. The number of case planning and educational meetings attended in support of Foster Care Students, , on issues including, but not limited to: missing educational records, incorrect education information, and clarification of behavior reports.
- b. A budget summary that includes beginning and ending balances, monthly expenses, and identification of potential problem areas including under-spending and over-spending of specified agreement budgeted amounts.
- 4. Consultant shall deliver the Quarterly Reports to the Children's Services, Program Analyst, 1313 Yuba Street, Redding, CA 96001.
  - 5. Consultant shall submit the required Annual Report to the California Department of Education (CDE) as required by CDE, for each County Fiscal Year during the term of this agreement. For the purposes of this agreement, the County Fiscal Year commences on July 1 and ends on June 30 of the following calendar year.
  - 6. Consultant shall deliver a copy of each Annual Report submitted to CDE as required Section 1.F.5. of this agreement, to the Children's Services Program Analyst, 1313 Yuba Street, Redding, CA 96001 at least 10 days prior to submission to CDE.

**F. Client Grievances.**

Consultant shall promulgate and implement written procedures (Grievance Procedures) whereby recipients of services shall have the opportunity to express and have considered their views, grievances, and complaints regarding the delivery of services pursuant to this agreement. Consultant shall provide a copy of

Consultant's Grievance Procedures to County for review and approval prior to providing services pursuant to this agreement. Consultant shall report all client grievances, and the nature thereof, in writing to the County's Health and Human Services Agency (HHSA), Children's Services Branch Director (Branch Director) within 10 business days of learning of the grievance. Upon resolution of a grievance or conclusion of the grievance process, Contractor shall, within 10 business days of the resolution or conclusion of the grievance process, report in writing to the Director how the grievance was resolved or concluded.

**G. Investigation of Illegal Use of Agreement Funds.**

1. Consultant shall take reasonable steps to prevent the illegal use of agreement funds. Consultant agrees to notify County of any suspected illegal use of agreement funds. Consultant shall meet with County or its delegate for consultation when there is suspected illegal use of funds. Consultant shall cooperate with County or its delegate in any way necessary in the investigation of potential illegal use of agreement funds.
2. Consultant shall provide County or its delegate with any relevant information requested and shall permit County or its delegate access to Consultant's premises, upon reasonable notice, during normal business hours for the purpose of conducting interviews and inspecting and copying books, records, accounts, and other materials that may be relevant to a matter under investigation for potential illegal use of agreement funds.

**H. Staff and Volunteers.**

Ensure and provide written verification thereof to County, that all staff and volunteers working or providing services under this agreement receive appropriate clearance following a federal and state criminal records check and a California Department of Motor Vehicles record check.

**I. Acknowledgement.**

Acknowledge the funding source of all activities undertaken pursuant to this agreement by including in any educational and training materials, audio visual aids, interviews with press, flyers, or publications the following statement: "This activity (or program) has been funded (or sponsored) by the County of Shasta through the California Department of Social Services."

**Section 2. RESPONSIBILITIES OF COUNTY.**

Pursuant to the terms and conditions of this agreement, County shall:

- A. Compensate Consultant as prescribed in Sections 3 and 4 of this agreement;
- B. Monitor Consultant's performance to assure compliance with the terms, conditions and specifications of the agreement.

- C. Inform Consultant, of all Foster Care Students detained by the juvenile court and of any changes to a Foster Care Student's placement.
- D. Inform Consultant of the status of the holder of a Foster Care Student's educational rights.
- E. Make County staff available to assist Consultant's staff in facilitating the exchange of information and records necessary to complete the Annual Report as prescribed in Section 1.F.5. of this agreement.
- F. Have the right, in its sole discretion, to refuse or terminate any placement of Consultant staff at County locations for the purpose of providing Services under the terms of the agreement who in County's judgment, is not providing satisfactory services under the agreement or for any reason deemed appropriate by County. Nothing in this Agreement obligates or requires County to accept any Consultant staff at any particular County site. County does not guarantee that it will accept or maintain any specific number of Consultant staff placed at any County site for the provision of Services under the agreement.
- G. Furnish and supply to Consultant the following resources – as approved by the County designated Program Manager (Program Manager), or his or her designee(s) to be used by Consultant for the services and responsibilities to be performed under the agreement:
  - 1. Non-exclusive workspace in Redding, California at locations as approved by, and in the sole discretion of, the Program Manager, or his or designee(s);
  - 2. Use of a computer, telephone, and photocopier; and
  - 3. General office supplies.
- H. Designate a Site Consultant to be available to Consultant's staff for daily oversight at the workspace assigned to Consultant pursuant to Section 2.F of this agreement. The Site Consultant's oversight responsibilities shall include, but are not limited to:
  - 1. Providing an orientation, with respect to the workspace, for Consultant's staff, including explaining safety policies and procedures;
  - 2. Providing instructions on the use of the resources provided pursuant to Section 2.G of this agreement.

**Section 3. COMPENSATION.**

- A. The maximum obligation of County under this agreement shall be \$39,268 per County Fiscal Year or the actual federal share of allowable costs, whichever is less. County shall submit a quarterly claim to California Department of Social Services (CDSS) for reimbursement from Title IV-E for allowable activities. Upon receipt

of the reimbursement, County will provide to Consultant at the conclusion of each quarter the calculated federal discount rate based on the number of foster care children not eligible for Title IV-E reimbursement.

	Fiscal Year	Maximum Total
Consultant Match	\$39,268	\$117,804
County Obligation	\$39,268	\$117,804
<b>Total Program Cost</b>	<b>\$78,536</b>	<b>\$235,608</b>

- B. Consultant is responsible for the match amount, which is estimated at 63% of the total program cost, representing the non-federal share of cost calculated at the federal discount rate. Consultant shall certify the expenditure of this share of cost, and that these funds were not used as a match to any other federal program. The match shall be documented on a quarterly invoice, and must be expended in order to claim Title IV-E reimbursement as prescribed in **ATTACHMENT B, BUDGET**, herein attached and incorporated.
- C. All invoices must be submitted to County no later than 15 days after the end of the quarter or after termination of this agreement
- D. Consultant shall be financially responsible for audit exceptions on disallowances by the State and Federal Government.
- E. Consultant shall provide audit records in compliance with 2 CFR Part 200 Subparts E and F (previously OMB Circular A-122) and provide a copy of the organizational wide audit annually. Failure to do so may end in the denial of payment under this or subsequent agreements.
- F. During the term of this agreement, the Health and Human Services Agency (HHS) Director or HHS Branch Director may approve, in writing and in advance, changes in any line item budgeted expenses in the Budget up to a maximum of 10 percent between categories within each line item budget expense or across budget categories provided the maximum compensation specified in Section 3.A. of this agreement is not exceeded.
- G. Consultant's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of this agreement.

#### **Section 4. BILLING AND PAYMENT.**

- A. Consultant shall submit to HHS Business and Support Services, Attn: Accounts Payable, P.O. Box 496005, Redding, CA 96049-6005, quarterly by October 15, January 15, April 15, and July 15, of each County Fiscal Year for services rendered in the preceding calendar quarter (or portion of the calendar quarter should this agreement be terminated prior to the end of a calendar quarter) in accordance with the Budget, an invoice regularly used in the conduct of business accompanied by an **INVOICE/EXPENDITURE REPORT, ATTACHMENT C**, attached and incorporated herein, and a statement of services rendered and costs incurred,

accompanied by original receipts. Notwithstanding the foregoing, Consultant shall submit for the final month of this agreement (i.e., June 2020) no later than July 15, 2020. County shall pay Consultant within 30 days of receipt of Consultant's correct and approved statement or invoice for services rendered and costs incurred. For the purposes of compensation in accordance with the Budget, the following shall apply:

1. **Direct Costs.**

- a. Wages and Benefits related to the program or services provided pursuant to this agreement shall be directly charged by itemizing name, title of staff, rate of pay per time period, number of time periods, and total for the month.
- b. Operating expenses and equipment that are directly attributable to the program or services provided pursuant to this agreement shall be directly charged at actual cost.

2. **Indirect Costs.**

Indirect costs related to the program or services provided pursuant to this agreement that cannot be specifically attributable to a particular aspect of the program or services provided pursuant to this agreement, shall be billed in accordance with OMB Circulars No. A-21, A-87, and A-122, as applicable, or pursuant to applicable provisions of the Code of Federal Regulations.

3. **Capital Assets.**

For the purposes of this agreement, a "Capital Asset" is property, other than real property, that is: (1) tangible in nature; (2) has an extended useful life of at least one year; (3) is not a repair part or supply; and (4) has, at the time of acquisition, a value of at least \$5,000. Capital Asset purchases or capital expenditures of \$5,000 or more to be made with agreement funds require the prior written approval of County. In addition, all Capital Assets, capital expenditures, and all other property and services purchased with agreement funds, shall be procured specifically for this agreement and shall benefit the Foster Youth Education Services exclusively. Consultant shall maintain, and submit to County every three months during the term of this agreement and upon termination, expiration, or cancellation of this agreement, a detailed list of Capital Assets purchased with agreement funds. All Capital Assets purchased with agreement funds, are the sole property of County. County may, in its sole discretion and upon the termination, expiration, or cancellation of this agreement, demand the return of any Capital Asset purchased with agreement funds. County shall, within 60 days of the termination, expiration, or cancellation of this agreement, exercise its option to demand return of any Capital Asset purchased with agreement funds. Consultant shall, at Consultant's sole expense, within 10 days of County's

demand, return all Capital Assets demanded by County.

**4. Computers and Computer Related Equipment.**

Pursuant to Federal and State Regulations, the State of California Health and Human Services Data Center (HHSDC) must pre-approve any computer(s) or computer-related equipment (including software) purchases. Consultant shall submit a written request to County before purchasing any computer(s) or computer-related equipment (including software) with agreement funds. County shall seek approval from the HHSDC and notify Consultant of the results in a timely manner. Consultant shall maintain, and submit to County every three months during the term of this agreement and upon termination, expiration, or cancellation of this agreement, a detailed list of any computer(s) or computer-related equipment (including software) purchased with agreement funds. Any computer(s) or computer-related equipment (including software) purchased with agreement funds are the sole property of County. County may, in its sole discretion and upon the termination, expiration, or cancellation of this agreement, demand the return of any computer(s) or computer-related equipment (including software), purchased with agreement funds. County shall, within 60 days of the termination, expiration, or cancellation of this agreement, exercise its option to demand return of any computer(s) or computer-related equipment (including software), purchased with agreement funds. Consultant shall, at Consultant's sole expense, within 10 days of County's demand, return any computer(s) or computer-related equipment (including software) demanded by County.

- B. Compensation under this agreement shall be reduced by Applicable Consultant Revenues. The term "Applicable Consultant Revenues" refers to those receipts or reductions in expenditures or costs which operate to offset or reduce expense or cost items that are allocable to Consultant's compensation under this agreement (such as, but not limited to: purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds and adjustments of overpayment, or other erroneous charges). To the extent that Applicable Consultant Revenues, accruing or received by Consultant relate to allowable costs, they shall be credited to County either as a reduction in compensation, a cost reduction, or a cash refund, as appropriate.
- C. County will not compensate Consultant for direct or indirect costs exceeding budget line items unless prior written permission from County to exceed the particular budget line item has been received by Consultant. Consultant may make line item shifts within a Budget Category without County approval as long as the adjustment, in aggregate, does not exceed 10 percent of the Budget Category total and does not increase total compensation payable under this agreement. The HHSA Director, or his/her designee, must provide prior written approval by way of an amendment to this agreement pursuant to Section 7.B for budget adjustments which are (1) in excess of 10 percent of the total Budget Category, or (2) across existing Budget Categories.

- D. Should County, or the state or federal government, disallow any cost claimed by Consultant, Consultant shall reimburse County, or the state or federal government, as directed by County, or the state or federal government, for such disallowed cost.

**Section 5. TERM OF AGREEMENT.**

- A. The initial term of this agreement shall begin July 1, 2017 and end June 30, 2020, except as to the final Annual Report as required by Section 1.F.5. of this agreement, which shall be due August 31, 2020, and the final Quarterly Report as required by Section 1.F.3. of this agreement and final invoice for services rendered County and costs incurred as required by Section 4.A. of this agreement, which shall both be due July 15, 2020.
- B. Notwithstanding the foregoing, County shall not be obligated for payments hereunder for any future County fiscal year unless or until County's Board of Supervisors appropriates funds for this agreement in County's budget for that County fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last County fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the County fiscal year commences on July 1 and ends on June 30 of the following fiscal year. County shall notify Consultant in writing of such non-appropriation at the earliest possible date.

**Section 6. TERMINATION OF AGREEMENT.**

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of County, or if Consultant fails to fulfill in a timely and professional manner Consultant's responsibilities under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then County shall have the right to terminate this agreement effective immediately upon the County giving written notice thereof to Consultant. If termination for cause is given by County to Consultant and it is later determined by County that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this Section.
- B. Either Party may terminate this agreement without cause on 30 days' written notice.
- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County or Consultant may terminate this agreement immediately upon oral notice should County or Consultant not be able to comply with the obligations of this agreement due to any material cause which is beyond the reasonable control of County or Consultant, including, but not limited to: fire, explosion, lightning, power surges or outages, strikes or labor disputes, acts of God, civil disturbances, acts of civil or military authorities, acts of terrorism, fuel or energy shortages, acts and/or omissions by third party communications carriers, or any other cause beyond

County's or Consultant's control.

- E. County's right to terminate this agreement may be exercised by the Shasta County Board of Supervisors, by County's Executive Officer or his/her designee, or by County's Director of Health and Human Services Agency or his/her designee.
- F. Should this agreement be terminated, Consultant shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement.
- G. If this agreement is terminated, Consultant shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

**Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; ATTACHMENTS/EXHIBITS/APPENDICES.**

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no others.
- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. In addition to the provision in Section 3.F., minor amendments that do not result in a substantial or functional change to the original intent of this agreement, and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and the HHSA Director or any HHSA Branch Director designated by the Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's attachments, exhibits or appendices, the provisions of this agreement shall govern.
- E. Notwithstanding the provisions of Section 7.B. of this agreement, total line item budgeted costs in the Budget may vary up to a maximum of 10 percent between categories within each budget line item or across budget categories with prior approval through amendment by the Director or his/her designee, and provided the maximum amount of compensation per County fiscal year of this agreement is not exceeded.

**Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.**

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

**Section 9. EMPLOYMENT STATUS OF CONSULTANT.**

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Consultant performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Consultant were a County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Consultant be eligible for any other County benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this agreement.

**Section 10. INDEMNIFICATION.**

Each party shall defend, indemnify, and hold the other Party, its officials, officers, employees, agents, and volunteers, harmless from and against any and all liability, loss, expenses (including reasonable attorney's fees), or claims for injury or damage arising out of the performance of this agreement, but only in proportion to and to the extent such liability, loss, expenses (including reasonable attorney's fees), or claims for injury or damage are caused by or result from the negligent or intentional acts of omissions of the indemnifying Party, its officials, officers, employees, agents, subcontractors, or volunteers.

**Section 11. INSURANCE COVERAGE.**

Without limiting the indemnification of either Party to this agreement, each Party shall maintain or cause to be maintained the following insurance coverage: (1) a policy of Commercial General Liability with limits of liability of not less than \$1 million per occurrence; (2) a policy of Workers' Compensation providing statutory coverage; and (3) such other insurance or self-insurance as shall be necessary to insure it against any claim or claims for damages arising under the agreement. Insurance afforded by the commercial general liability policy shall be endorsed to provide coverage to the other Party of the agreement as an additional insured. Each Party to this agreement shall provide the other Party a Certificate of Insurance certifying that coverage as required herein has been obtained. The requirements of this section may be satisfied by the provision of similar

coverage through a self-insurance program.

**Section 12. SUBCONTRACTORS.**

Consultant shall not subcontract any services to be provided under this agreement without the prior written consent of County. Any subcontract entered into by Consultant in contravention of this provision without the prior written consent of County shall be void. Consultant and subcontractor who enter into a subcontract without such consent and approval waive any right to compensation for services provided pursuant to the void subcontract. Consultant and subcontractor shall defend, hold harmless, and indemnify County, its elected officials, officers, volunteers, and employees, against all claims, actions, costs, counsel fees, expenses, damages, judgments, or decrees by reason of any claim made by a subcontractor to enforce any provisions of a subcontract entered into without the prior written consent of County.

**Section 13. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.**

- A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Consultant shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant recognizes the mandatory standards and policies relating to energy efficiency in the state energy conservation plan (Title 24 of the California Code of Regulations).
- C. Consultant shall comply with mandatory standards and policies as required by Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41 C.F.R., Part 60).
- D. Consultant shall ensure that all known or suspected instances of child abuse or neglect are reported as mandated by section 11166 of the Penal Code. In addition, Consultant shall:
  - 1. Require each of Consultant's employees, volunteers, Consultants, subcontractors, and agents performing services under this agreement mandated by section 11166 of the Penal Code to report child abuse or neglect, to sign a statement that he or she knows of the statutory mandated reporting requirements and will comply with them.
  - 2. Establish procedures to ensure reporting of child abuse or neglect even when Consultant's employees, volunteers, Consultants, subcontractors, or agents who are not mandated to report child abuse or neglect under section

11166 of the Penal Code, gain knowledge of, or reasonably suspect, that a child has been a victim of abuse or neglect.

- E. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

**Section 14. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.**

- A. Consultant shall observe and comply with all applicable present and future federal laws, state laws, and local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.
- B. No funds or compensation received by Consultant under this agreement shall be used by Consultant for sectarian worship, instruction, or proselytization. No funds or compensation received by Consultant under this agreement shall be used to provide direct, immediate, or substantial support to any religious activity.
- C. In addition to any other provisions of this agreement, Consultant shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Consultant's noncompliance with the provisions of this section.

**Section 15. ASSURANCE OF COMPLIANCE WITH COUNTY NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS.**

- A. Consultant hereby agrees to comply with Titles VI and VII of the federal Civil Rights Act of 1964, as amended; Section 504 of the federal Rehabilitation Act of 1973, as amended; the federal Age Discrimination Act of 1975, as amended; the federal Food Stamp Act of 1977 as amended, and in particular section 272.6 thereof; Title II of the federal Americans with Disabilities Act of 1990, as amended; the Unruh Civil Rights Act, California Civil Code, section 51, as amended; California Government Code, sections 11135 - 11139.5, as amended; California Government Code, section 12940, as amended; Chapter 7, of Division 5, or Title 1 of the California Government Code, commencing with section 4450, as amended; Title 22, California Code of Regulations, sections 98000 – 98413; Title 24, California Code of Regulations, section 3105; the Dymally-Alatorre Bilingual Services Act (California Government Code, sections 7290 – 7299.8), as amended; section 1808 of the Interethnic Adoption Provisions of the Small Business Job Protection Act of 1996, as amended; and all other applicable federal and state laws, as well as their implementing regulations (including title 45 of the Code of Federal Regulations (CFR) Parts 80, 84, and 91; 7 CFR, Part 15; and 28 CFR, Part 42), by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall, because of ethnic group identification, age, sex, color, disability, medical condition, national origin, race, ancestry, sexual orientation, marital status, religion, religious creed or political belief, be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under, any program or activity

receiving federal or state financial assistance; and hereby gives assurance to immediately take any measures necessary to effectuate this Assurance of Compliance.

- B. This Assurance of Compliance is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and Consultant hereby gives assurance that administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of Chapter 21-100 of the California Department of Social Services (CDSS) Manual of Policies and Procedures will be prohibited.
- C. By giving this Assurance of Compliance, Consultant agrees to compile data, maintain records, and submit reports as required, to permit effective enforcement of the aforementioned laws, rules, and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books, and accounts as needed to ascertain compliance. If there are any violations of this Assurance of Compliance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with California Welfare and Institutions Code section 10605, or California Government Code sections 11135 – 11139.5, as amended, or any other laws or regulations, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this Assurance of Compliance.
- D. This Assurance of Compliance is binding on Consultant as long as Consultant is receiving federal or state funding pursuant to the agreement in which this Assurance of Compliance is included.

**Section 16. ACCESS TO RECORDS; RECORDS RETENTION.**

- A. County, federal, and state officials shall have access to any books, documents, papers, and records of Consultant that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or County. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Consultant shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.
- C. Consultant agrees to accept responsibility for receiving, replying to, and/or

complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this agreement. Consultant agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that County may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Consultant.

**Section 17. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.**

Consultant's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Consultant's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Consultant's failure to cure such default within 90 days of notice by County shall be grounds for termination of this agreement.

**Section 18. LICENSES AND PERMITS.**

Consultant, and Consultant's officers, employees, agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by County.

**Section 19. PERFORMANCE STANDARDS.**

Consultant shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's work or services.

**Section 20. CONFLICTS OF INTEREST.**

Consultant and Consultant's officers, employees, and agents shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

**Section 21. NOTICES.**

- A. Except as provided in Section 6.C or 6.D of this agreement (oral notice of termination), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail,

postage prepaid, two days after the date of mailing.

If to County: Director of Children's Services  
Attn: Contracts Unit  
1313 Yuba Street  
Redding, CA 96001  
Phone: 530-225-5757  
Fax: 530-225-5190

If to Consultant: Superintendent  
Shasta County Office of Education  
1644 Magnolia Avenue  
Redding, CA 96001  
Phone: 530-225-0227  
Fax: 530-225-0329

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 21.A and shall be deemed to be effective immediately.

**Section 22. AGREEMENT PREPARATION.**

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

**Section 23. COMPLIANCE WITH POLITICAL REFORM ACT.**

Consultant shall comply with the California Political Reform Act (Government Code sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Consultant to disclose financial interests and to recuse from influencing any County decision which may affect Consultant's financial interests. If required by the County's Conflict of Interest Code, Consultant shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

**Section 24. SEVERABILITY.**

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

**Section 25. COUNTY'S RIGHT TO SETOFF.**

To the fullest extent permitted by law, County shall have the right but not the obligation, to setoff, in whole or in part, against any compensation owed to Consultant or any of its subsidiaries under any contract with the County, any amount of any Federal or State audit

liability owed by or claimed or asserted against the County or any amounts owed to County by Consultant or its subsidiaries.

**Section 26. CONFIDENTIALITY.**

- A. All information and records obtained in the course of providing services under this agreement shall be confidential, and Consultant and all of Consultants employees, volunteers, agents, and officers shall comply with state and federal requirements regarding confidentiality of patient information (including, but not limited to, sections 827, 5328, 10850, and 14100.2 of the California Welfare and Institutions Code; Division 19 of the California Department of Social Services Manual of Policies and Procedures; Health and Safety sections 11845.5 and 11812, 22 California Code of Regulations section 51009; California Civil Code section 56.10; the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations adopted pursuant thereto; Title 42, Code of Federal Regulations, Part 2; and Title 45, Code of Federal Regulations, section 205.50). All applicable regulations and statutes relating to patients' rights shall be adhered to. No list of services of persons receiving services under this Agreement shall be published, disclosed, or used for any other purpose except for the direct administration of the program or other uses authorized by law that are not in conflict with requirements of confidentiality. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

**Section 27. SCOPE AND OWNERSHIP OF WORK.**

All research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the County and be delivered to the County upon completion of its authorized use pursuant to this agreement. County may use such work products for any purpose whatsoever. All works produced under this agreement shall be deemed works produced by a Consultant for hire, and all copyright with respect thereto shall vest in the County without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Consultant shall retain all of Consultant's rights in Consultant's own proprietary information, including, without limitation, Consultant's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Consultant prior to, or acquired by Consultant during the performance of this agreement and Consultant shall not be restricted in any way with respect thereto.

**Section 28. USE OF COUNTY PROPERTY.**

Consultant shall not use County premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Consultant's obligations under this agreement.

***SIGNATURE PAGE FOLLOWS***

**IN WITNESS WHEREOF**, County and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

**COUNTY OF SHASTA**

Date: \_\_\_\_\_

\_\_\_\_\_  
LES BAUGH, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

ATTEST  
LAWRENCE G. LEES  
Clerk of the Board of Supervisors

\_\_\_\_\_  
By: Deputy

Approved as to form:  
RUBIN E. CRUSE, JR.  
County Counsel

\_\_\_\_\_  
By: Alan Cox  
Senior Deputy County Counsel

**RISK MANAGEMENT APPROVAL**

\_\_\_\_\_  
By: James Johnson  
Risk Management Analyst

**CONSULTANT**

Date: 1-16-18

\_\_\_\_\_  
Judy Flores, Superintendent  
Shasta County Office of Education

\_\_\_\_\_  
On-file  
Federal Tax Identification Number

**Confidential**

**Health  
and  
Education  
Passport**

**Instructions to Foster Parents**

Please keep this Health and Education Passport while this child is in your care. Please keep the child's Medi-Cal card, health eligibility identification cards, Medical Consent form, Birth Certificate and Immunization record with this Passport.

Take this Passport to all medical, dental, and educational visits pertaining to the child. Remind doctors, dentists, and teachers, mental health care providers, vision care providers, and other health care providers to add or correct information on the form after each visit. Please give the corrected Passport to the social worker at your next meeting. When the child leaves your care, the latest update of this Passport will go with the child to aid the next care provider.

If you have any questions, please speak with the child's social worker and/or Public Health Nurse.

Thank you.

<b>NAME OF AGENCY:</b> STREET ADDRESS CITY AND ZIP CODE:			COUNT Y	TELEPHONE
NAME OF SOCIAL WORKER		CASELOAD ID		

<b>CHILD INFORMATION</b>
--------------------------

CHILD'S NAME		BIRTH DATE	AGE	GENDER
NAME ALSO KNOWN BY		CHILD ID NUMBER	COURT NUMBER	
CASE NUMBER	MEDI-CAL RECORD NUMBER	MEDICAL INSURANCE COMPANY NAME / HMO		POLICY NUMBER
ADDRESS		SOCIAL SECURITY NUMBER		
		PHONE		
ETHNICITY	RELIGION	ICWA ELIGIBILITY		
PRIMARY LANGUAGE	SECONDARY LANGUAGE			
NAME OF SUBSTITUTE CARE PROVIDER	RELATIONSHIP TO CHILD OR TYPE OF FACILITY			
SCHOOL NAME	SCHOOL ADDRESS		GRADE	
PHONE				

**CURRENT HEALTH INFORMATION**☐ SENSITIVE HEALTH & MEDICAL INFORMATION ON FILE☐ LIMITATION PUT ON SUBSTITUTE CARE PROVIDER'S ABILITY TO MAKE HEALTH DECISIONS☐ INDIVIDUAL HEALTH CARE PLAN ON FILE FOR SPECIAL NEEDS CHILD**\*\* ALERTS \*\***

DESCRIPTION

**ALLERGIES**

DESCRIPTION

ONSET DATE/FIRST VISIT

DIAGNOSED BY

**SUMMARY OF CHILD'S CURRENT HEALTH CONDITION****DEVELOPMENTAL / FUNCTIONAL LIMITATIONS**☐ VISUAL IMPAIRMENT☐ HEARING IMPAIRMENT☐ SPEECH IMPAIRMENT☐ SPECIAL DIET REQUIRED☐ NEUROLOGICAL IMPAIRMENT☐ MEDICAL EQUIPMENT REQUIRED☐ DEVELOPMENTALLY DISABLED☐ NON AMBULATORY☐ MEDICAL PROCEDURES REQUIRED☐ DEVELOPMENTALLY DELAYED☐ SPECIAL EDUCATION PUPIL,  
CERTIFIED☐ EMOTIONAL DISORDER, DSM, CURNT REV☐ OTHER DESCRIPTION**CURRENT HEALTH ISSUES**

HEALTH PROBLEM

ONSET DATE/FIRST VISIT

NEXT SCHEDULED VISIT DATE

DIAGNOSED BY: NAME

DIAGNOSED BY: PHONE

COMMUNICABLE DISEASE?

☐ YES☐ NO☐ UNKNOWN

HEALTH PROBLEM DESCRIPTION

TREATMENT PLAN / INSTRUCTIONS

**WELL CHILD EXAM**

DATE

EXAM TYPE

SERVICE PROVIDER

AGE AT TIME OF EXAM

HEIGHT

HEIGHT %

WEIGHT

WEIGHT %

HEAD CIRCUMFERENCE



**PAST HEALTH INFORMATION****BIRTH HISTORY**

BIRTH PLACE / HOSPITAL NAME		BIRTH LOCATION (CITY COUNTY STATE AND COUNTRY)		
WEIGHT	LENGTH	HEAD CIRCUMFERENCE	APGAR	GESTATION AGE
TOXICOLOGY SCREENING		NEWBORN SCREENING RESULTS		
PRENATAL / PERINATAL COMMENTS				

**PAST HEALTH ISSUES**

HEALTH PROBLEM	ONSET DATE/FIRST VISIT	END DATE
DIAGNOSED BY: NAME	DIAGNOSED BY: PHONE	COMMUNICABLE DISEASE? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNKNOWN
HEALTH PROBLEM DESCRIPTION		
TREATMENT		

DATE	TYPE	SCREENED BY	RESULTS
COMMENTS			

**PAST DEVELOPMENTAL AND MENTAL HEALTH SCREENINGS**

DATE	TYPE	SCREENED BY	RESULTS
COMMENTS			

**PAST DEVELOPMENTAL AND MENTAL HEALTH REFERRALS**

REFERRAL DATE	REFERRAL TYPE	REFERRED TO	OUT OF COUNTY <input type="checkbox"/>
OUTCOME OF REFERRAL	OUTCOME DATE	CONSENT TYPE	CONSENT ON FILE DATE
COMMENTS			

**PAST DEVELOPMENTAL AND MENTAL HEALTH DATA**

PLAN TYPE	START DATE	END DATE	END REASON
COMMENTS			
INTERVENTION CHOICE	START DATE	END DATE	COMMENTS

**PAST HEALTH SERVICE PROVIDERS**

## PREVIOUSLY RECEIVED SERVICES FROM:

<input type="checkbox"/> CA CHILDREN'S SERVICES DATES	<input type="checkbox"/> REGIONAL CENTER DATES	<input type="checkbox"/> OTHER DATES	DESCRIPTION (OTHER)
---	---	---	---------------------

SERVICE PROVIDER NAME	SERVICE PROVIDER TYPE	DATE LAST SEEN
CLINIC/AGENCY NAME, IF ANY	ADDRESS	
PHONE		

**FAMILY MEDICAL HISTORY**

MATERNAL - SIGNIFICANT HEALTH PROBLEMS

PATERNAL - SIGNIFICANT HEALTH PROBLEMS

**EDUCATION INFORMATION**

PARENT(S) / GUARDIANS EDUCATIONAL RIGHTS LIMITED?

☐ YES ☐ NO

COURT APPOINTED EDUCATION REPRESENTATIVE

PHONE NUMBER

DOES THE CHILD HAVE AN INDIVIDUALIZED EDUCATION PROGRAM (IEP/IIFSP)?

☐ YES ☐ NO MOST RECENT IEP DATE:

IS IT IN THE BEST INTEREST OF THE CHILD TO REMAIN IN THE SCHOOL OF ORIGIN?

☐ YES ☐ NO ☐ NOT APPLICABLE DECISION DATE:

LOCATION OF EDUCATIONAL RECORDS / ATTEMPTS TO ACQUIRE

ARE TRANSITIONAL INDEPENDENT LIVING SERVICES BEING PROVIDED?

☐ YES ☐ NO

HAS THE CLIENT COMPLETED AT LEAST ONE SEMESTER OF COLLEGE?

☐ YES ☐ NO

HAS THE CLIENT ATTENDED POSTSECONDARY/VOCATIONAL TRAINING?

☐ YES ☐ NO**CLIENT SPECIAL EDUCATION**

INSTRUCTION RECEIVED?

☐ YES ☐ NO

START DATE

END DATE

**CURRENT**

SCHOOL NAME

PHONE

SCHOOL ADDRESS:

CONTACT NAME

START DATE

SCHOOL OF ORIGIN?

☐ YES ☐ NO

EXPLANATION IF CHILD WAS NOT PLACED IN PROXIMITY OF PREVIOUS SCHOOL ENROLLMENT

SPECIAL EDUCATION NEEDS OF THIS CHILD

GRADE

GRADE LEVEL PERFORMANCE

TEACHER / COUNSELOR NAME

START DATE

EDUCATIONAL NEEDS / SCHOOL PERFORMANCE / STRENGTHS / INTERESTS

**PREVIOUS**

SCHOOL NAME

PHONE

SCHOOL ADDRESS:

CONTACT NAME

START DATE

END DATE

REASON CHILD LEFT SCHOOL

SPECIAL EDUCATION NEEDS OF THIS CHILD

# BOARD OF SUPERVISORS REGULAR MEETING - January 30, 2018

CHILD'S NAME

DATE OF BIRTH

CASE I.D. #

GRADE	GRADE LEVEL PERFORMANCE	TEACHER / COUNSELOR NAME	START DATE	END DATE
EDUCATIONAL NEEDS / SCHOOL PERFORMANCE / STRENGTHS / INTERESTS				

**PLACE**

**CHILD'S PICTURE**

**HERE**

## SHASTA COUNTY OFFICE OF EDUCATION BUDGET

Shasta County Health & Human Services Agency  
1810 Market Street  
Redding, CA 96001

Shasta County Office of Education  
1644 Magnolia Avenue  
Redding, CA 96001

### Multi-Year Service Budgets

Budget Category	Budget Period		Budget Period		Budget Period		Total Budgeted Costs
	07/17 – 06/18		07/18 - 06/19		07/19 – 06/20		
Personnel/Position	FTE						
Foster Youth Services Coordinator	.24	43,231		43,231		43,231	129,693
Foster Youth Services Specialist	.54	28,820		28,820		28,820	86,460
							0
Fringe Benefits							0
Total Salary and Benefits		72,051		72,051		72,051	216,153
Operating Expenses							
Office Expenses/Supplies							0
Equipment							0
Rents/Leases							0
Utilities/Communications							0
Travel							0
Software							0
(OTHER - Please Specify)							0
(OTHER - Please Specify)							0
(OTHER - Please Specify)							0
(OTHER - Please Specify)							0
Total Operating Expenses		0		0		0	0
Other Expenses							
Capital Assets							0
(OTHER - Please Specify)							0
(OTHER - Please Specify)							0
Total Other Expenses		0		0		0	0
Total Expenses		72,051		72,051		72,051	72,051
Administrative Cost - 9%		6,485		6,485		6,485	19,455
Totals		\$78,536		\$78,536		\$78,536	\$235,608

#### FOR COUNTY USE ONLY:

Cost Center

Account Code

Project Code

Activity Code

**INSERT\_COE**  
**Title IV-E Administrative Funding**  
**Contract Claim / Verification of Match Reported**  
**INSERT MONTH YEAR-INSERT MONTH YEAR**

QUARTERLY BUDGET & INVOICE

FOR THE QUARTER OF:

Category	Budget			INVOICE AMOUNT				
	Program Budget	Contract Budget	Match	Total Program Costs	Quarterly Contract Costs	Match	YTD Contract	YTD Match
TITLE IV-E FOSTER YOUTH SERVICES								
TOTAL PROGRAM COST								

**Verification of sufficient match reported/claimed on the monthly invoice:**

I hereby certify that this report is correct and complete to the best of my knowledge and that the costs are eligible pursuant to the terms of the contract. In addition I certify that the funds used as the county share meet all requirements for matching federal Title IV-E and are not used as match for any other funding source.

**Authorized Signature**

Print Name / Title

Date \_\_\_\_\_

**Approved for Payment:**

**Authorize County Representative**

Date \_\_\_\_\_

**Title IV-E MOU  
Exhibit A and B**

**INSERT MONTH YEAR-INSERT  
MONTH YEAR**

**REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS**

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Health and Human Services-8.

**SUBJECT:**

City of Redding Revenue Agreement for the Redding/Shasta Homeless Continuum of Care Coordinator and Related Budget Amendment

**DEPARTMENT:** Housing and Community Action Programs

**Supervisory District No. :** all

**DEPARTMENT CONTACT:** Laura Burch, Director of Housing/Community Action Programs (530) 225-5160

**STAFF REPORT APPROVED BY:** Laura Burch, Director of Housing/Community Action Programs

<b>Vote Required?</b>	<b>General Fund Impact?</b>
4/5 Vote	No Additional General Fund Impact

**RECOMMENDATION**

Take the following actions: (1) Approve and authorize the: (a) Chairman to sign a retroactive revenue agreement with the City of Redding in an amount not to exceed \$20,000 to administer Homeless Continuum of Care activities for the period January 1, 2018 through June 30, 2019; and (b) Director of Housing and Community Action Programs to sign the expense reimbursement request and progress reporting forms and anti-lobbying certification required for participation in the program; and (2) approve a budget amendment increasing revenue and appropriations by \$36,000 in the Community Action Agency budget.

**SUMMARY**

The City of Redding and the County of Shasta have joined together to fund the administration and coordination of the day-to-day activities of the Homeless Continuum of Care (CoC). If the proposed agreement is approved, the City of Redding will pay \$20,000 to the County of Shasta for CoC services. The proposed budget amendment includes the \$20,000 pursuant to this agreement, plus a \$16,000 contribution from The McConnell Foundation.

**DISCUSSION**

The Homeless Continuum of care is an organization consisting of government agencies, non-profits, faith-based groups, and individuals who have an interest in homeless issues in Shasta County. Over forty organizations attend monthly CoC meetings at Redding City Hall. The CoC is designed to address the critical concerns of homelessness through a coordinated, community-based process of identifying needs and building a system to address those needs. The purpose of the CoC is to plan and organize the delivery of housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency. Communities must operate a homeless continuum of care to establish eligibility for homeless program funding through the U.S. Department of Housing and Urban Development (HUD).

The City of Redding has allocated \$20,000 from its Fiscal Year (FY) 2017/2018 Community Development Block Grant (CDBG) allocation to reimburse the County for CoC administration and coordination. The Department of Housing and

Community Action Programs (Department) procured a coordinator to provide these services on a contract basis.

Historically, the City of Redding and the County of Shasta has fully funded the Redding/Shasta County Homeless Continuum of Care Coordinator exclusively. In 2017, City of Redding funded the Redding/Shasta County Homeless Continuum of Care Coordinator in partnership with The McConnell Foundation. The McConnell Foundation has also graciously contributed \$16,000.

**ALTERNATIVES**

The Board could choose not to approve the proposed agreement, may request additional information from staff, or may defer consideration to a future date.

**OTHER AGENCY INVOLVEMENT**

The agreement was approved, as to form only, by County Counsel. Risk Management has reviewed the agreement and approved it as to form. The Auditor-Controller’s Office has received the request to amend the budget. This recommendation has been reviewed by the County Administrative Office.

**FINANCING**

The City of Redding will provide \$20,000 from their federal CDBG funds in support of the homeless continuum of care coordinator. This revenue source is one of many sources funding the Continuum of Care coordinator contract. Additional funding sources are U.S. Department of Housing and Urban Development, McConnell Foundation (\$16,000), and California Department of Housing and Community Development. The recommended budget amendment will facilitate the expenditure of the funds. There is no additional impact to the General Fund.

**ATTACHMENTS:**

Description	Upload Date	Description
Budget Amendment Request	1/10/2018	Budget Amendment Request
City of Redding Agreement	1/13/2018	City of Redding Agreement



## Housing and Community Action Programs

1450 Court Street, Suite 108  
Redding, CA 96001-1661  
Phone: (530) 225-5160  
Fax: (530) 225-5178

Laura Burch, Director  
Housing Authority  
Community Action Agency

### MEMORANDUM

TO: Brian Muir, Auditor-Controller  
FROM: Laura Burch, Director of Housing/Community Action Programs  
RE: Budget Amendment for FY 2017/2018 *J. Redmond*  
DATE: January 2, 2018

---

A budget amendment is requested in the Community Action Agency Budget Unit 59000 for F/Y 2017/2018.

The Department of Housing and Community Action Programs plans to present this item to the Board of Supervisors at the January 23, 2018, meeting.

This amendment includes revenue from the City of Redding and the McConnell Foundation in support of the homeless continuum of care coordinator.

Should you have any questions, please contact Staff Services Manager, Janet Redmond at 245-6432 or [jredmond@co.shasta.ca.us](mailto:jredmond@co.shasta.ca.us).

Thank you for your assistance.

C: Julie Hope, Principal Administrative Analyst, County Administrative Office

<b>Cost Center:</b>	<b>Account Number</b>	<b>Account Description</b>	<b>Budget Reads</b>	<b>Budget Should Read</b>	<b>Amount of Transfer (+/-)</b>
<b>Community Action Agency</b>					<b>Increase and/or (Decrease)</b>
59000	034800	Prof & Special Services	\$62,258	\$98,258	+\$36,000
<b>Total Appropriation Change</b>					<b>+\$36,000</b>

<b>Cost Center:</b>	<b>Account Number</b>	<b>Account Description</b>	<b>Budget Reads</b>	<b>Budget Should Read</b>	<b>Amount of Transfer (+/-)</b>
<b>Community Action Agency</b>					<b>Increase and/or (Decrease)</b>
59000	563165	City of Redding CDBG	\$0	\$20,000	+\$20,000
59000	792530	Donation McConnell Foundation	\$0	\$16,000	+\$16,000
<b>Total Revenue Change</b>					<b>+\$36,000</b>
<b>Cost Center 59000 Net Change</b>					<b>\$0</b>

**AGREEMENT BETWEEN THE CITY OF REDDING AND  
THE COUNTY OF SHASTA  
FOR USE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS**

**THIS AGREEMENT**, made and entered into this 1<sup>st</sup> day of January, 2018, by and between the CITY OF REDDING, a municipal corporation, hereinafter called "CITY" and the COUNTY OF SHASTA, a political subdivision of the State of California, through its Department of Housing and Community Action Programs, hereinafter called "PROVIDER."

**RECITALS**

**WHEREAS**, CITY has allocated Community Development Block Grant (CDBG) funds to PROVIDER for the specific purposes set forth herein; and

**WHEREAS**, said funds are provided to CITY through the Community Development Block Grant Program of the U.S. Department of Housing and Urban Development (HUD); and

**WHEREAS**, CITY has allocated said funds for the sole purpose of supporting PROVIDER's delivery of services and programs as set forth herein.

**NOW, THEREFORE**, it is mutually agreed by PROVIDER and CITY hereto that:

**I. SCOPE OF SERVICE**

PROVIDER shall render services as set forth in attached Scope of Service (Exhibit A) which is hereby incorporated by reference as if set forth in full.

**II. TIME OF PERFORMANCE**

Services of PROVIDER shall start on the 1<sup>st</sup> day of January 2018 and end on the 30<sup>th</sup> day of June 2019. The term of this Agreement and the provisions herein may, by mutual written agreement of the parties, be extended to cover any additional time period during which PROVIDER remains in control of CDBG funds or other CDBG assets, including program income.

**III. AMOUNT AND USE OF FUNDS**

Use of City's funds allocated hereunder to Provider shall be subject to the following terms and conditions:

- A. CITY shall pay to PROVIDER a sum not to exceed \$20,000 for services set forth in the *Scope of Service* (Exhibit A).
- B. Any indirect costs charged must be consistent with the conditions of Paragraph VI.E.2. of this Agreement. In addition, CITY may require a more detailed breakdown than the one contained herein, and PROVIDER shall provide such supplementary budget information in a timely fashion in the form and content prescribed by CITY. Any amendments to the budget must be approved in writing by both CITY and PROVIDER.

- C. Any funds paid to PROVIDER shall be used solely for the purposes set forth in the *Scope of Service* (Exhibit A).
- D. Funds paid hereunder shall be expended solely for services in accordance with the terms outlined within this contract.
- E. PROVIDER shall render services utilizing funds paid by CITY hereunder only to a subcontractor who meets appropriate eligibility criteria under CDBG guidelines as an administrative planning activity pursuant to 24 CFR 570.206.

IV. PAYMENT and REPORTING

- A. The *Expense Reimbursement Request and Progress Reporting Form* (Exhibit B) attached and incorporated herein, is to be used by PROVIDER as a request for reimbursement.
- B. Drawdowns for the payment of eligible expenses shall be made against the budget specified in Exhibit A and in accordance with performance. Payments may be contingent upon certification of PROVIDER's financial management system in accordance with the standards specified in 24 CFR 84.21.
- C. All eligible expenses must be reported and drawn in a timely manner within the timeframe as described in Paragraph II of this Agreement. Reporting of program expenses, including "zero" expenses, and drawdown requests will be accompanied by program statistics as outlined on the *Expense Reimbursement Request and Progress Reporting Form* (Exhibit B).
- D. PROVIDER shall file the Expense Reimbursement Request and Progress Reporting Form (Exhibit B) with CITY no less than quarterly unless otherwise agreed to and approved by the CITY. Program activities and service recipient statistics must be reported along with eligible program expenses. This Exhibit shall be submitted as an invoice for CDBG funds expended within the reporting period and it must be accompanied by documents that adequately justify the reported expenses. Documentation may include, but is not limited to copies of receipts, bills, invoices, payroll reports, timecards, and/or program financial statements as appropriate. At its discretion, the CITY may request additional supporting documentation for the purposes of accepting Exhibit B and approving any request for reimbursement.

V. NOTICES

All notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent aforesaid shall be effective on the date of delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

CITY

Steve Bade  
Community Development Manager  
City of Redding, Housing Division  
777 Cypress Avenue  
Redding, CA 96001  
Phone: 530.245.7129  
Fax: 530.245.7160  
Email: sbade@cityofredding.org

PROVIDER

Torri Cardilino, Program Specialist III  
Department of Housing and Community Action  
Programs  
1450 Court Street, Ste 108  
Redding, CA 96001  
Phone: 530.245.6431  
email: tcardilino@co.shasta.ca.us

VI. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

PROVIDER agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

PROVIDER shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profits Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

B. Indemnification

PROVIDER hereby agrees to protect, defend, indemnify, and hold harmless, CITY, its officers, elected or appointed officials, employees, agents, and volunteers, from and against any and all claims, actions, suits, charges, damages, losses, expenses, judgments, demands, penalties, fines, defense costs, and consequential damage or liability of any kind or nature, however caused, arising directly or indirectly out of the obligations or operations herein undertaken by PROVIDER, caused in whole or in part by any act or omission of PROVIDER, any subcontractors, any directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including but not limited to concurrent active or passive negligence, except where caused by the active negligence, sole negligence or willful misconduct of CITY. PROVIDER will conduct all defense at its sole cost and expense. CITY shall be reimbursed for all costs and attorneys' fees incurred by CITY in enforcing this obligation. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable and regardless of any policy limits upon any applicable insurance.

CITY hereby agrees to protect, defend, indemnify, and hold harmless, PROVIDER, its officers, elected or appointed officials, employees, agents, and volunteers, from and against any and all claims, actions, suits, charges, damages, losses, expenses, judgments, demands, penalties, fines, defense costs, and consequential damage or liability of any kind or nature, however caused, arising directly or

indirectly out of the obligations or operations herein undertaken by CITY, caused in whole or in part by any act or omission of CITY, any subcontractors, any directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including but not limited to concurrent active or passive negligence, except where caused by the active negligence, sole negligence or willful misconduct of PROVIDER. CITY will conduct all defense at its sole cost and expense. PROVIDER shall be reimbursed for all costs and attorneys' fees incurred by PROVIDER in enforcing this obligation. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable and regardless of any policy limits upon any applicable insurance.

C. Insurance Provisions

PROVIDER is self-insured. PROVIDER shall furnish to the CITY, upon CITY's request, a certificate of self-insurance.

D. Documentation and Record Keeping

1. Records to be Maintained

PROVIDER shall maintain all records required by the regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include, but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, or use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

PROVIDER shall retain all financial records, supporting documents, statistical records, and all other records pertinent to this Agreement for a period of five years. The retention period begins on the date of the submission of CITY's annual performance and evaluation report to HUD in which the activities assisted under this Agreement are reported on for the final time. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

### 3. Client Data

PROVIDER shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to CITY monitors or their designees for review upon request. PROVIDER shall also take appropriate measures to maintain confidentiality of client information.

### 4. Disclosure

Recognizing that PROVIDER may from time to time render services to recipients, which are highly personal and confidential in nature, CITY shall only disclose such information as required by law.

### 5. Close-Outs

PROVIDER's obligation to CITY pursuant to this Agreement shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to CITY), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that PROVIDER has control over CDBG funds, including program income.

### 6. Audits and Inspections

All PROVIDER records with respect to any matters covered by this Agreement shall be made available to CITY, state, and/or federal authorities or any authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit/monitoring reports must be fully cleared by PROVIDER within 30 days after receipt of notice of deficiency or deficiencies by PROVIDER. Failure of PROVIDER to comply with the above audit/monitoring requirements will constitute a violation of this Agreement and may result in the withholding of future payments. PROVIDER hereby agrees to have an annual agency audit conducted in accordance with current CITY policy concerning subrecipient audits and OMB Circular A-133.

## E. Reporting and Funding Availability

### 1. Program Income

PROVIDER shall report quarterly all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this Agreement. The use of program income by PROVIDER shall comply with the requirements set forth in 24 CFR 570.504. By way of further limitations, PROVIDER may use such income during this Agreement period for activities permitted under this Agreement and shall reduce requests for additional funds by the amount of any program income balances on hand. All

unexpended program income shall be returned to CITY at the end of the Agreement period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to CITY.

2. Indirect Costs

If indirect costs are charged, PROVIDER shall develop an indirect cost allocation plan for determining the appropriate PROVIDER's share of administrative costs and shall submit such plan to CITY for approval, in a form specified by CITY.

3. Availability of Funds

CITY shall pay to PROVIDER funds available under this Agreement based upon information submitted by the PROVIDER and consistent with any approved budget and CITY policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by PROVIDER, and not to exceed actual cash requirements. Payments will be adjusted by CITY in accordance with the advance fund and program income balances available in PROVIDER accounts. In addition, CITY reserves the right to liquidate funds available to PROVIDER under this Agreement for costs incurred by CITY on behalf of PROVIDER insofar as those costs incurred on behalf of PROVIDER relate to the obligations of PROVIDER under this Agreement.

F. Procurement and Subcontracts

1. Compliance

All program assets (unexpended program income, property, equipment, etc.) shall revert to CITY upon termination of this Agreement.

2. OMB Standards

Unless specified otherwise with this Agreement, PROVIDER shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-48.

3. Subcontracts

a. Approvals

It is the understanding of the CITY that the PROVIDER will subcontract for all services to be provided under this agreement. PROVIDER shall provide to the CITY an executed subcontract prior to the disbursement of any CITY funds under this agreement. Such subcontract shall be in compliance with the requirements stated in Paragraph F of this Agreement.

b. Monitoring

PROVIDER shall monitor all subcontracted services on a regular basis to assure compliance with this Agreement. The CITY shall be notified immediately if the subcontractee is found to be out of compliance with any aspect of the agreement.

c. Content

PROVIDER shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

PROVIDER shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements contained in Section VI.F. and Section VII.E. of this Agreement. Executed copies of all subcontracts shall be forwarded to CITY along with documentation concerning the selection process.

VII. FAIR HOUSING AND EQUAL OPPORTUNITY COMPLIANCEA. Compliance

PROVIDER shall comply with all state and local civil rights ordinances, laws and regulations and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act (HCDA) of 1974 as amended, Section 504 of the Rehabilitation Act (RA) of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 (as amended by Executive Orders 11375, 11478, 12107 and 12086).

It is the intent of the CITY that services funded under this Agreement are provided in a manner that encourages participation by all persons regardless of age, race, color, religion, sex, disability, familial status, national origin, veteran status, or English language proficiency.

B. Non-Discrimination (HCDA Section 109)

PROVIDER shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the Housing and Community Development Act (HCDA) of 1974 are still applicable. Pursuant to Section 109, the PROVIDER must provide services in a manner which will not cause discrimination on the basis of race, color, religion, sex, disability, familial status, or national origin. Segregated facilities, services, or benefits and different treatment are prohibited.

1. Non-Discrimination Noticing

Pursuant to Section 504 of the Rehabilitation Act (RA) of 1973 (29 U.S.C. 794), the PROVIDER shall include a non-discrimination notice in informational, advertising, and marketing materials. This clause applies if the PROVIDER has 15 or more employees.

C. Accessibility (RA Section 504)

PROVIDER shall comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act (RA) of 1973 (29 U.S.C. 794), which prohibits discrimination against individuals with disabilities or handicaps in any federally assisted program. CITY shall furnish PROVIDER with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

1. Program Accessibility

Pursuant to Section 504, the PROVIDER shall be receptive to requests and needs of disabled person(s) within the community when determining which auxiliary aids or services are necessary particularly for service recipients that may be hearing impaired, mobility impaired, developmentally disabled, or vision impaired; and those persons requiring in-home care or institutional care.

2. Facilities Accessibility

Pursuant to Section 504, PROVIDER shall ensure that the location in which the services are provided is readily accessible and usable by persons with disabilities or persons with physical handicaps. Providing separate or different programs is illegal unless necessary to achieve equal opportunity.

D. Affirmative Action and Employment Provisions

The PROVIDER shall ensure that employment opportunities may not be denied on the basis of race, color, national origin, sex, age, religion, familial status, or disability. PROVIDER agrees that it shall be committed to carry out pursuant to CITY's specifications an Affirmative Action Plan in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1996. CITY shall provide Affirmative Action guidelines to PROVIDER to assist in the formulation of such program. PROVIDER shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

1. Prohibited Activity

PROVIDER is prohibited from using funds furnished herein or personnel employed in the administration of the program for: political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

## 2. Labor Standards

PROVIDER shall comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. PROVIDER shall comply with the Copeland Anti-Kick Back Act (18 U.S.C. §874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. PROVIDER shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to CITY for review upon request.

PROVIDER shall, except with respect to the rehabilitation or construction of residential property containing less than eight units, ensure that all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, comply with federal requirements adopted by CITY pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve PROVIDER of its obligation, if any, to require payment of the higher wage. PROVIDER shall cause or require to be inserted in full, in all contracts subject to such regulations, provisions meeting the requirements of this paragraph.

## 3. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

PROVIDER shall, in all solicitations or advertisements for employees placed by or on behalf of PROVIDER, state that it is an Equal Opportunity or Affirmative Action employer.

## E. Contracts and Subcontracts

With regard to subcontract agreements as approved by the CITY pursuant to Section VI.F.3. of this Agreement the PROVIDER shall ensure compliance with all state and local civil rights ordinances, laws and regulations and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act (HCDA) of 1974 as amended, Section 504 of the Rehabilitation Act (RA) of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 (as amended by Executive Orders 11375, 11478, 12107 and 12086).

### 1. Women- and Minority-Owned Businesses (W/MBE)

PROVIDER shall use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in

this Agreement, the terms “small business” means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and “minority and women’s business enterprise” means a business at least 51 percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. PROVIDER may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

## 2. Access to Records

PROVIDER shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and shall permit access to its books, records and accounts by CITY, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

## 3. Subcontract Provisions

PROVIDER shall include the provisions related to Non-Discrimination (Section VII.B.), Accessibility (Section VII.C.), Affirmative Action and Employment Provisions (Section VII.D.), and Minority and Women-Owned Businesses (Section VII.E.1.), Access to Records (Section VII.E.2.), and “Section 3” Clause (Section VII.F.1) contained within this Agreement in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its subrecipients or subcontractors.

### F. “Section 3” Clause

Section 3 of the Housing and Urban Development Act of 1968, as amended requires the provision of opportunities for training and employment that arise through HUD-financed projects to lower-income residents of the project area. It is also required that contracts be awarded to businesses that provide economic opportunities for low- and very low- income persons residing in the area.

#### 1. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the federal financial assistance provided under this Agreement and binding upon CITY, PROVIDER and any of PROVIDER’s subrecipients and subcontractors. Failure to fulfill these requirements shall subject CITY, PROVIDER and any of PROVIDER’s subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which federal assistance is provided. PROVIDER certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

PROVIDER shall comply with these "Section 3" requirements and include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

PROVIDER certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

a. Subcontracts

PROVIDER shall include this Section 3 clause in every subcontract and shall take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of applicable regulations. PROVIDER shall not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and shall not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of the applicable regulations.

VIII. GENERAL PROVISIONS

A. General Compliance

PROVIDER agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants) including subpart K of those regulations, except that (1) PROVIDER does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) PROVIDER does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. PROVIDER also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. PROVIDER further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. PROVIDER shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. CITY shall be exempt from payment of all Unemployment Compensation, FICA,

retirement, life and/or medical insurance and Worker's Compensation Insurance, as PROVIDER is an independent contractor.

C. Recognition

PROVIDER shall insure recognition of the role of CITY in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the PROVIDER will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

D. Amendments

CITY or PROVIDER may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each party. Such amendments shall not invalidate this Agreement, nor relieve or release CITY or PROVIDER from its obligations under this Agreement. If such amendments result in an increase in the funding provided under the Agreement, such modification shall be first approved by the City's governing body. However, amendments which do not result in substantial or functional change to the original intent of the Agreement and do not cause an increase to the maximum amount payable under this Agreement shall be deemed "minor amendments" and may be agreed to in writing between the PROVIDER and the Deputy City Manager, or designee.

E. Assignability

PROVIDER shall not assign or transfer any interest in this Agreement without the prior written consent of CITY thereto; provided, however, that claims for money due or to become due to PROVIDER from CITY under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to CITY.

F. Hatch Act

PROVIDER agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

G. Conflict of Interest

PROVIDER shall abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

1. PROVIDER shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds.

2. No employee, officer or agent of PROVIDER shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.
3. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of CITY, PROVIDER, or any designated public agency.

H. Lobbying

PROVIDER shall execute the *Anti-Lobbying Certification* (Exhibit C), attached and incorporated herein.

I. Copyright

If this Agreement results in any copyrightable material or inventions, CITY and/or grantor agency reserves the right to royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental use.

J. Religious Activities

PROVIDER agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

K. Travel

PROVIDER shall obtain written approval from CITY for any travel outside the County of Shasta with funds provided under this Agreement.

L. Suspension or Termination

In accordance with 24 CFR 85.43, CITY may suspend or terminate this Agreement if PROVIDER materially fails to comply with any terms of this Agreement, which include (but are not limited to), the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of PROVIDER to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by PROVIDER to CITY, reports required under this Agreement that are incorrect or incomplete in any material respect.

If PROVIDER defaults in the performance of any term or condition of this Agreement, it must cure that default by satisfactory performance within 10 days after service upon it by CITY of written notice of default. If PROVIDER fails to cure the default within that time, then CITY may terminate this Agreement without further notice.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either CITY or PROVIDER, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, CITY determines that the remaining portion of the award will not accomplish the purposes for which the award was made, CITY may terminate this Agreement in its entirety.

In the event that CITY fails to receive CDBG funds, or the allocation of such funds is reduced by HUD, CITY may terminate this Agreement by giving notice to PROVIDER by registered mail.

Upon termination, PROVIDER shall transfer to CITY the balance of any CDBG funds on hand at the time of termination and any accounts receivable attributable to the use of CDBG funds.

M. Severability

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

N. Section Headings and Subheadings

The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

O. Waiver

CITY's failure to act with respect to a breach by PROVIDER does not waive its right to act with respect to subsequent or similar breaches. The failure of CITY to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

P. Entire Agreement

This Agreement constitutes the entire Agreement between CITY and PROVIDER for the use of funds received under this Agreement and it supersedes all prior or

AGREEMENT WITH THE COUNTY OF SHASTA  
FOR CONTINUUM OF CARE COORDINATOR

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contemporaneous communication and proposals, whether electronic, oral, or written between CITY and PROVIDER with respect to this Agreement.

IN WITNESS WHEREOF, CITY and PROVIDER have executed this Agreement on the days and year set forth below:

CITY OF REDDING,  
A Municipal Corporation

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_  
LARRY VAUPEL  
Development Services Director

ATTEST:

APPROVED AS TO FORM:

BARRY E. DeWALT, City Attorney

\_\_\_\_\_  
PAMELA MIZE, City Clerk

\_\_\_\_\_  
By:

PROVIDER - County of Shasta

Dated: \_\_\_\_\_, 2018


\_\_\_\_\_  
Chairman  
Board of Supervisors  
County of Shasta  
State of California

Tax ID No.: 94-6000535


DUNS No.: 103497280

Attachments:

- Exhibit A (Scope of Service)
- Exhibit B (Expense Reimbursement Request and Progress Reporting Form)
- Exhibit C (Anti-Lobbying Certification)

APPROVED AS TO FORM SHASTA COUNTY COUNSEL

Matthew M. McOmber Senior Deputy County Counsel

RISK MANAGEMENT APPROVAL

BY:   
James Johnson  
Risk Management Analyst

**EXHIBIT A**  
**SCOPE OF SERVICE**

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**SCOPE OF SERVICE - COUNTY OF SHASTA**

PROVIDER, the County of Shasta, will be responsible for administering the *Continuum of Care Coordinator* activity for the time period of January 1, 2018 to June 30, 2019 as specified within the Agreement, Section II, Time of Performance in a manner satisfactory to the CITY and consistent with any standards required as a condition of providing these funds in accordance with 24 CFR part 578.

**A. SCOPE OF WORK**

**1. Activity Description**

PROVIDER is the lead agency overseeing the subcontract for the Continuum of Care (CoC) Coordinator. The CoC Coordinator activities are performed by a subcontractor. The subcontracted position is co-funded by the CITY and the PROVIDER. The CoC Coordinator is responsible for the following activities:

- a. Oversee operation aspects in CoC planning process, which shall include, but not be limited to, advising CoC members of issues and activities, convening CoC meetings on the second Tuesday of the month located at 777 E. Cypress Ave, Redding, CA 96001 in the Caldwell room at 3 pm, and development of an annual work plan in a manner that is consistent with local CoC priorities and federal regulations.
- b. Attend and conduct the monthly CoC meetings, distribute the minutes of the meetings, and ensure that appropriate follow-up activities are undertaken.
- c. Coordinate CoC subcommittee meetings and ensure that appropriate follow-up activities are undertaken.
- d. Participate in the implementation of HMIS by working with stakeholders to ensure HMIS expansion is continued.
- e. Act as a primary liaison between HUD and the CoC relative to CoC activities such as training and technical assistance and funding capacity.
- f. Act as the primary liaison between the California Department of Housing and Community Development ("HCD").
- g. Maintain and update the CoC processes and strategies to reduce homeless across the CoC region.
- h. Coordinate the annual point-in-time homeless survey in coordination with the point-in-time subcommittee.
- i. Provide technical assistance and referral information to potential applicants seeking funding through CoC funding sources.
- j. Evaluate programs for the CoC regional areas' Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 housing projects and Emergency Solutions Grant Programs.
- k. Complete and submit the annual CoC Collaborative Application in compliance with HUD regulations.

- l. Complete and submit ESG application and certifications as required by HCD.
- m. Develop and submit annual recommendations to the CoC to enhance the effectiveness of current delivery of services to the homeless population by the CoC.
- n. Take a leadership role in the CoC regional area regarding issues, activities, and information regarding the CoC and its operation.
- o. Provide other administrative and executive support services as may be requested by the CoC, including maintenance of the CoC website.
- p. Perform outreach to business and corporate organizations, including chambers of commerce, to form public/private partnerships to address local issues of homelessness.
- q. Ensure all HUD required policies are developed and maintained.
- r. Participate in develop of Coordinated Entry System in accordance with HUD Notice CPD-17-01.

## 2. Proposed Outcome

PROVIDER will manage the COC subcontract to ensure that the COC Coordinator maintains the eligibility status of the COC Committee, adequately facilitates the collaborative COC meetings and related events, conducts the annual *Homeless Point in Time* survey, and continues to provide technical assistance related to the submission of COC Homeless Assistance grants available through HUD.

An annual report will be submitted to the City and Provide that will include an evaluation of services; analysis of progress toward previously established goals and outcomes; specialized training and curriculum development; and meeting activities, identified issues and responses, developing issues and opportunities.

## 3. Activity Budget

As indicated in the Activity Budget table below, \$20,000 of the CITY's CDBG Administrative and Planning allocation for the current program year will be used to assist in the funding of the COC Coordinator subcontract, estimated to be \$105,000. The PROVIDER will leverage the City's CDBG funds with other funding resources (i.e. The McConnell Foundation, other Regional County and/or City partnerships, and federal CoC Programs) fund the remaining portion of the CoC Coordinator subcontract (\$85,000). In no event, the amount funded by CITY may not exceed the approved CDBG amount stated in the Agreement and as listed in the table below.

<b>Activity Budget</b>		
<b>#</b>	<b>BUDGET CATEGORY</b>	<b>AMOUNT</b>
1.	Personnel:	
	► Continuum of Care Coordinator	\$20,000
	<b>TOTAL CDBG Funds:</b>	<b>\$20,000</b>

4. Staffing

Eligible staffing costs include wage expenses and corresponding employer and tax contributions for the Personnel indicated in the table above. Personnel activities directly related to the actual delivery of the activity as described in Section A.1 of this Exhibit are eligible for reimbursement. Requests for reimbursement for staffing costs eligible under the Agreement shall be submitted using the *Expense Reimbursement and Progress Reporting Form* (Exhibit B) with documentation supporting that request. Supporting documents may include copies of subcontractor invoices, summary payroll statements, or other materials as approved by the CITY that indicate the CITY's share of cost for the COC Coordinator subcontract. Expense reimbursement requests that do not reconcile with or are not adequately supported by the documentation provided for those expenses will not be processed.

5. Operating Costs

No PROVIDER operating costs will be paid for with CDBG funds. PROVIDER will be responsible for utilizing other resources to support program operations appropriate to delivering the activity described in Section A.1 of this Exhibit. PROVIDER's support for the operational costs associated with the activity as described in Section A.1 of this Exhibit shall be documented by the PROVIDER.

B. CDBG Eligibility

PROVIDER's activity is considered a Planning Activity under 24 CFR 570.206. Reasonable administrative costs and carrying charges related to the planning and execution of community development activities covered in the CITY's housing assistance plan are eligible for reimbursement.

1. Specific Objective

Program planning activities including the development of comprehensive plans, community development plans, capacity building, and submission of applications for federal programs pursuant to 24 CFR 570.206 (f) are considered eligible activities.

2. Performance Measures

PROVIDER shall keep current its subcontract with the COC Coordinator and provide a copy of that subcontract agreement to the CITY at the commencement of the program year prior to the disbursement of funds. For the duration of the program year, PROVIDER shall maintain records of the COC meeting agendas and minutes, COC events and activities, COC funding awards received, and results of the *Homeless Point in Time* survey.

3. Progress Reporting and Reimbursement Schedule

Request for reimbursement and supporting documentation will be provided no less than quarterly using the *Expense Reimbursement and Progress Reporting Form* (Exhibit

B). Supporting documentation may include, but is not limited to, copies of COC meeting agendas and COC funding awards received during the accounting period on the Form. Progress narratives related to COC events or activities as well as results of the *Homeless Point in Time* survey may be submitted with the final reimbursement request of the program year.

C. PROVIDER RESPONSIBILITIES

PROVIDER will be responsible for:

1. Recruitment and training of all staff (paid and volunteer) necessary to successfully carry out the activity.
2. Program operating and overhead costs not covered by the terms of the Agreement.
3. Satisfactory completion and submission of Exhibit B (Expense Reimbursement Request and Progress Reporting Form) with accompanying documentation to verify the expenses no less than quarterly unless otherwise agreed upon by the PROVIDER and the CITY.
4. Timely expenditure of CDBG funds for the reimbursement of eligible CDBG expenses incurred within the program year.
5. Applying for all available sources of funding that can be used to supplement CDBG funds in the operation of activity.
6. Submission of PROVIDER's independent audit, financial statement, or any supporting documentation relevant to the delivery of this Activity upon request of CITY and cooperation with monitoring activities at the request of the CITY.
7. Submitting in writing any requests to change the scope of services, budget, or method of compensation contained in the Agreement and accompanying Exhibits.

**EXHIBIT B**  
**EXPENSE REIMBURSEMENT REQUEST**  
**AND PROGRESS REPORTING FORM**

PROVIDER: \_\_\_\_\_ PROGRAM: \_\_\_\_\_

Contact Person/Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Accounting period for this Report: \_\_\_\_\_ through \_\_\_\_\_

*Please attach invoices, payroll records, and supporting documentation as necessary to support reported expenses for this accounting period. Include progress narratives or explanations on a separate page as necessary.*

**I. REIMBURSEMENT and ACCOUNTING**

Current Accounting Period

A. CoC Coordinator Service Total Invoice for this Accounting Period: \$ \_\_\_\_\_

Year to Date Accounting

B. CITY FUNDS Award: \$ 20,000

C. Total CoC Expenditures Invoiced to Date (Including Line A): \$ \_\_\_\_\_

D. Balance of CITY FUNDS (Line B - Line C): \$ \_\_\_\_\_

**II. PROGRESS REPORTING AND DOCUMENTATION**

CoC Activities Completed during this Accounting Period:

CoC Funding Awards Received on behalf of local organizations during this Accounting Period:

Invoices or Supporting Documents Attached:

I hereby certify the above to be true and correct, to the best of my knowledge.

Signature

Date

Typed or Printed Name

Title

EXHIBIT C

ANTI-LOBBYING CERTIFICATION

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The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Health and Human Services-9.

**SUBJECT:**

Resolution designating authorized agents for the purpose of obtaining funding through homeland security grant programs

**DEPARTMENT:** Health and Human Services Agency-Public Health

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Terri Fields Hosler, MPH, RD-Public Health Branch Director, (530) 245-6869

**STAFF REPORT APPROVED BY:** Terri Fields Hosler, MPH, RD-Public Health Branch Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Adopt a resolution which designates authorized agents for the purpose of obtaining funding through the Homeland Security Grant Programs for Federal Fiscal Year 2018.

**SUMMARY**

Approval of the 2018 resolution will allow Health and Human Services Agency – Public Health (HHSA-PH) to apply for Shasta County’s FFY 18-19 funding allocation of \$253,466 on behalf of the five-member group.

**DISCUSSION**

Since June 30, 2009, HHSA-PH has been the lead agency in Shasta County for the Homeland Security Grant Programs (HSGP). The grant amount for Federal Fiscal Year (FFY) 2018-2019 is anticipated to be \$253,466. As has been true since the inception, a five-member panel consisting of the Health Officer, the Sheriff, a police chief, the County Fire Chief, and a municipal Fire Chief must agree on the proposed expenditures to be submitted in the application. The HHSA – Public Health Branch will return to the Board after the grant is approved by the California Governor’s Office of Emergency Services (Cal OES) to seek acceptance of the HSGP grant funds and authorize the specific purchases for County Fiscal Year (FY) 2018 - 2019.

The Office of Homeland Security (OHS) requires that a resolution designating officials that are authorized by the Board to sign the HSGP application be submitted each year as part of the application process. Each year since 2002, the Board has adopted a resolution authorizing appropriate staff in the Sheriff’s Office of Emergency Services, and since 2009, appropriate staff at HHSA-PH, to apply for funding from the HSGP. Funds from this allocation provide resources for local law enforcement agencies, fire agencies, and HHSA-PH to obtain equipment and training related to terrorism and emergency preparedness. The absence of an updated resolution would prevent the County from receiving the FFY 2018 Homeland Security Grant allocation. Consequently, equipment and programs benefitting various agencies in the County would not be funded.

Due to an accelerated timeline from Cal-OES for HSGP FFY 2018, local applications for HSGP 2018 funds are due to Cal-OES by January 31, 2018.

**ALTERNATIVES**

The Board could choose not to adopt the resolution or require different approving signatories.

**OTHER AGENCY INVOLVEMENT**

The Sheriff’s Office concurs with the designated official signatories listed in the resolution. County Counsel has reviewed and approved the resolution as to form. This recommendation has been reviewed by the County Administrative Office.

**FINANCING**

Sufficient appropriations and offsetting revenues for this allocation were included in HHSA-PH FY 2017-2018 Adopted Budget (BU 411). Appropriations and offsetting revenues will be included in the HHSA-PH FY 2018-2019 Adopted Budget (BU 411). No additional County General Funds are requested with approval of this recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
HSG Resolution	1/19/2018	HSG Resolution

**RESOLUTION NO. 2018 -**

**A RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SHASTA  
DESIGNATING AUTHORIZED AGENTS FOR THE PURPOSE OF  
OBTAINING FUNDING FOR HOMELAND SECURITY GRANT PROGRAMS**

**WHEREAS**, the Shasta County Health and Human Services Agency is processing the Homeland Security Grant Program application to the State of California; and

**WHEREAS**, the Office of Homeland Security requires a resolution designating official signatories be submitted as part of the grant process.

**NOW, THEREFORE, BE IT RESOLVED** that the County of Shasta Board of Supervisors hereby authorizes the following public employees or officers to execute for and on behalf of the County of Shasta, a political subdivision of the State of California, any documents or to take any actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and sub-granted through the State of California for 2018:

Shasta County Office of Emergency Services Director  
Or  
Shasta County Office of Emergency Services Deputy Director  
Or  
Shasta County Office of Emergency Services Coordinator  
Or  
Shasta County Public Health Officer  
Or  
Shasta County Health and Human Services Agency Public Health Branch Director  
Or  
Shasta County Health and Human Services Agency Public Health Deputy Branch Director  
Or  
Shasta County Health and Human Services Agency Director

**DULY ADOPTED** this 23rd day of January, 2018 by the Board of Supervisors of the County of Shasta by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**RECUSE:**

**ATTEST:**

**LAWRENCE G. LEES**

Clerk of the Board

By: \_\_\_\_\_  
Deputy

\_\_\_\_\_, Chairman  
Board of Supervisors  
County of Shasta  
State of California

**REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS**

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Health and Human Services-10.

**SUBJECT:**

Shasta Community Health Center Naloxone Distribution Agreement

**DEPARTMENT:** Health and Human Services Agency-Public Health

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Brandy Isola, MPH, Public Health Branch Deputy Director, (530) 245-6861

**STAFF REPORT APPROVED BY:** Terri Fields Hosler, MPH, RD-Public Health Branch Director

<b>Vote Required?</b>	<b>General Fund Impact?</b>
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Approve and authorize the Chairman to sign an agreement with the Shasta Community Health Center (SCHC) at no compensation to transfer up to 415 boxes of naloxone to SCHC to distribute to individuals at high risk of opioid overdose, their household members, or others at high-risk of opioid overdose for a period of two years effective date of signing.

**SUMMARY**

Approval of this agreement will allow Health and Human Services Agency-Public Health Branch (HHS-A-PH) to collaborate with SCHC to distribute naloxone (with an estimated value of \$31,150). Naloxone is a medication designed to rapidly reverse opioid overdose.

**DISCUSSION**

Drug overdose deaths are the leading cause of injury death in the United States. Sixteen Shasta County residents died in 2016 and there were 37 hospitalizations of Shasta County residents in 2015 due to an opioid overdose. Also in 2016, there were an average of 1,160 opioid prescriptions dispensed per 1,000 Shasta County residents compared to an average rate of 562 prescriptions per 1,000 California residents during the same time. The California Department of Public Health has given naloxone grants to every county in California with the objective of saving lives from this national epidemic. Shasta County HHS-A-PH is collaborating with Shasta Community Health Center to distribute this supply because they have offices in Redding, Anderson, and Shasta Lake, as well as the mobile Homeless Outreach to People Everywhere (HOPE) Van delivering services to more than 20,000 Shasta County residents. Shasta Community Health Center also already has an established naloxone distribution system and protocols in place.

**ALTERNATIVES**

The Board could choose not to approve this agreement.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office has reviewed the recommendation. County Counsel has reviewed the agreement and approved as to form. Risk Management has approved the agreement.

**FINANCING**

The naloxone product associated with this agreement is being ordered and provided to Shasta County by the California Department of Public Health and no additional monies are associated with this agreement. There is no additional impact to the General Fund with the approval of the recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
SCHC Naloxone Agreement	1/18/2018	SCHC Naloxone Agreement

**PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND  
SHASTA COMMUNITY HEALTH CENTER**

This agreement is entered into between the County of Shasta, through its Health and Human Services Agency, Public Health Branch, a political subdivision of the State of California ("County") and Shasta Community Health Center, a California Corporation ("Consultant") for the purpose of distributing Naloxone Nasal Spray Kits (collectively, the "Parties" and individually a "Party").

**Section 1.     RESPONSIBILITIES OF CONSULTANT.**

Pursuant to the terms and conditions of this agreement, Consultant shall:

- A.     Request Naloxone Nasal Spray Kits from County as needed;
- B.     Obtain all Naloxone Nasal Spray Kits requested from County pursuant to all Federal and State statutes, rules and regulations;
- C.     Ensure Naloxone Nasal Spray Kits are stored properly pursuant to manufacture recommendations;
- D.     Ensure that a licensed health care provider prescribes and dispenses or distributes Naloxone Nasal Spray Kits obtained pursuant to this agreement in accordance with California Civil Code section 1714.22(b) through Consultant's HOPE Van and clinic sites to clients at high risk of opiate overdose, their household members, or others at high-risk of opioid overdose, as decided by Consultant, and in accordance with all applicable Federal and State statutes, rules, and regulations.
- E.     Ensure Naloxone Nasal Spray Kits obtained pursuant to this agreement are distributed in accordance with all applicable laws;
- F.     Dispose of any unused Naloxone Nasal Spray Kits;
- G.     Maintain a record of Naloxone Nasal Spray Kits distributed by Consultant as described in Attachment A "Naloxone Nasal Spray Kit Distribution and Overdose Reversal Record", attached and incorporated herein; and
- H.     Submit Attachment A to County every six months or whenever kits obtained pursuant to this agreement are completely distributed or disposed of and Consultant would like to request more.

**Section 2.     RESPONSIBILITIES OF COUNTY.**

Pursuant to the terms and conditions of this agreement, County shall:

- A.     Provide Consultant with Naloxone Nasal Spray kits upon request.
- B.     Monitor outcomes achieved by Consultant.

**Section 3. COMPENSATION.**

There will be no exchange and/or receipt of payment from either Party to the other Party pursuant to this agreement. The consideration for performance of this agreement is the performance of the rights, duties, and obligations set forth in this agreement.

**Section 4. TERM OF AGREEMENT.**

The term of this agreement shall be for two years following the last date it has been signed by both Parties

**Section 5. TERMINATION OF AGREEMENT.**

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of County, or if Consultant fails to fulfill in a timely and professional manner Consultant's responsibilities under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then County shall have the right to terminate this agreement for cause effective immediately upon the County giving written notice thereof to Consultant. If termination for cause is given by County to Consultant and it is later determined that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.
- B. County may terminate this agreement without cause on 30 days written notice to Consultant.
- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County's right to terminate this agreement may be exercised by County's Executive Officer, Health and Human Services Agency ("HHSA") Director or any HHSA Branch Director designated by the HHSA Director.
- E. Should this agreement be terminated, Consultant shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement.
- F. If this agreement is terminated, Consultant shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

**Section 6. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES.**

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement,

Consultant relies solely upon the provisions contained in this agreement and no others.

- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and the HHSA Director or any HHSA Branch Director designated by the HHSA Director, provided that the amendment is in substantially the same format as the County's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

**Section 7. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.**

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of County. The waiver by County of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

**Section 8. EMPLOYMENT STATUS OF CONSULTANT.**

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow County to exercise discretion or control over the professional manner in which Consultant performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of County is to insure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Consultant were a County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Consultant be eligible for any other County benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this agreement.

**Section 9. INDEMNIFICATION.**

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless County, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of County Counsel and counsel retained by County, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or by any of Consultant's subcontractors, any person employed under Consultant, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of County. Consultant shall also, at Consultant's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or any of Consultant's subcontractors, any person employed under Consultant, or under any Subcontractor, or in any capacity. Consultant shall also defend and indemnify County for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless County with respect to Consultant's "independent contractor" status that would establish a liability on County for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

#### **Section 10. INSURANCE COVERAGE.**

- A. Without limiting Consultant's duties of defense and indemnification, Consultant and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect County and the public with limits of liability of not less than \$1 million per occurrence; such insurance shall be primary as to any other insurance maintained by County.
- B. Consultant and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Consultant or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against *County, its elected officials, officers, employees, agents, and volunteers* which might arise in connection with this agreement. Consultant hereby certifies that Consultant is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Consultant shall comply with such

provisions before commencing the performance of the work or the provision of services pursuant to this agreement.

C. Consultant shall obtain and maintain continuously a policy of Medical Malpractice coverage with limits of liability of not less than \$1 million per occurrence, \$3 million aggregate.

D. Consultant shall require subcontractors to furnish satisfactory proof to County that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Consultant pursuant to this agreement.

E. With regard to all insurance coverage required by this agreement:

(1) Any deductible or self-insured retention exceeding \$25,000 for Consultant or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this agreement.

(2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Consultant or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this agreement.

(3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *County, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to County within 24 hours. Any available insurance proceeds in excess of the specified minimum limits and coverage pursuant to the terms of this agreement shall be applicable to the Additional Insured. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.

(4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
  - b. Separately to each suit insured against whom a claim is made or suit is brought.”
- (5) Consultant shall provide County with an endorsement or amendment to Consultant’s policy of insurance as evidence of insurance protection before the effective date of this agreement.
- (6) The insurance coverage required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, Consultant shall provide County, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Consultant shall provide County a certificate of insurance reflecting those limits.
- (8) Any of Consultant’s Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of County.

**Section 11. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.**

- A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant’s performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Consultant shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

**Section 12. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.**

- A. Consultant shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.
- B. Consultant shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Consultant represents that Consultant is in compliance with and agrees that Consultant shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.
- D. No funds or compensation received by Consultant under this agreement shall be used by Consultant for sectarian worship, instruction, or proselytization. No funds or compensation received by Consultant under this agreement shall be used to provide direct, immediate, or substantial support to any religious activity.
- E. In addition to any other provisions of this agreement, Consultant shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Consultant's noncompliance with the provisions of this section.

**Section 13. ACCESS TO RECORDS; RECORDS RETENTION.**

- A. County, federal, and state officials shall have access to any books, documents, papers, and records of Consultant that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or County. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Consultant shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.

- C. Consultant agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or County audit directly related to the provisions of this agreement. Consultant agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that County may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Consultant.

**Section 14. LICENSES AND PERMITS.**

Consultant, and Consultant's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by County. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by County.

**Section 15. PERFORMANCE STANDARDS.**

Consultant shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's work or services.

**Section 16. CONFLICTS OF INTEREST.**

Consultant and Consultant's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

**Section 17. NOTICES.**

- A. Except as provided in section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to County:	Branch Director HHS Public Health Branch 2650 Breslauer Way Phone: (530) 225-3761 Fax: (530) 225-3743
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If to Consultant:	Chief Executive Director
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Shasta Community Health Center  
1035 Placer Street  
Phone: (530) 245-5704  
Fax: (530) 241-7831

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C Unless otherwise stated in this agreement, any written or oral notices on behalf of the County as provided for in this agreement may be executed and/or exercised by the County Executive Officer.

**Section 18. AGREEMENT PREPARATION.**

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

**Section 19. COMPLIANCE WITH POLITICAL REFORM ACT.**

Consultant shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the County's Conflict of Interest Code, with regard to any obligation on the part of Consultant to disclose financial interests and to recuse from influencing any County decision which may affect Consultant's financial interests. If required by the County's Conflict of Interest Code, Consultant shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

**Section 20. PROPERTY TAXES.**

Consultant represents and warrants that Consultant, on the date of execution of this agreement, (1) has paid all property taxes for which Consultant is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. Consultant shall make timely payment of all property taxes at all times during the term of this agreement.

**Section 21. SEVERABILITY.**

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or County ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

**Section 22. COUNTY'S RIGHT OF SETOFF.**

To the fullest extent permitted by law, County shall have the right but not the obligation, to setoff, in whole or in part, against any compensation owed to Consultant or any of its

subsidiaries under any contract with the County, any amount of any Federal or State audit liability owed by or claimed or asserted against the County or any amounts owed to County by Consultant or its subsidiaries.

**Section 23. CONFIDENTIALITY.**

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

***SIGNATURE PAGE FOLLOWS***

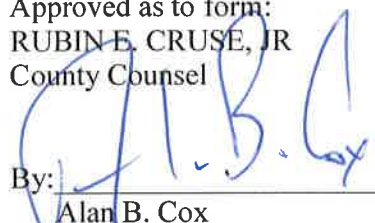
**IN WITNESS WHEREOF**, County and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

**COUNTY OF SHASTA**

Date: \_\_\_\_\_

\_\_\_\_\_  
LES BAUGH, CHAIRMAN  
Board of Supervisors  
County of Shasta  
State of California

Approved as to form:  
RUBIN E. CRUSE, JR  
County Counsel

By:  1/12/18  
\_\_\_\_\_  
Alan B. Cox  
Deputy County Counsel III

**RISK MANAGEMENT APPROVAL**

By:  01/12/18  
\_\_\_\_\_  
James Johnson  
Risk Management Analyst III

Date: 1/16/18

**CONSULTANT**

  
\_\_\_\_\_  
C. Dean Germano, Chief Executive Officer  
Shasta Community Health Center

Tax I.D.#: On-File

**Attachment A.****Naloxone Nasal Spray Kit Distribution and Overdose Reversal Record**

	<i>Start Date</i>	<i>End Date</i>
<i>TIME PERIOD THIS REPORT COVERS:</i>		
<b>Location Distributed Through</b>	<b>Number of Boxes</b>	<i>Number distributed at this location with a Syringe Exchange Program (SEP) Voucher</i>
HOPE Van		
1035 Placer Street (Redding)		
2801 Silver Street (Anderson)		
16300 Cloverdale Road (Happy Valley)		
4215 Front Street (Shasta Lake)		
Other		
<b>Total Number of Boxes Distributed</b>		
<b>Number of boxes disposed of:</b>		
<i>Number of Overdoses Reversed "saves" reported from use of naloxone of any source</i>		
<i>Any notes regarding to qualitative progress of distribution (i.e., success or barriers)</i>		

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Law and Justice-11.

**SUBJECT:**

First Amendment to the Proud Parenting Program Grant Agreement and Budget Amendment

**DEPARTMENT:** Probation

Public Defender

Health and Human Services Agency-Business and Support Services

**Supervisory District No. :** ALL

**DEPARTMENT CONTACT:** Tracie Neal, Chief Probation Officer, (530) 245-6200

**STAFF REPORT APPROVED BY:** Tracie Neal, Chief Probation Officer; Jeff Gorder, Public Defender; Donnell Ewert, HHSA Director

Vote Required?	General Fund Impact?
4/5 Vote	No Additional General Fund Impact

**RECOMMENDATION**

Take the following actions: (1) Approve and authorize the Chief Probation Officer to sign a retroactive amendment, effective July 1, 2017, to the Proud Parenting Program (Program) revenue grant agreement with the Board of State and Community Corrections increasing the total compensation by \$30,341 (to a new total not to exceed \$149,626) to improve parenting skills and pregnancy health of offenders retaining the end date of June 30, 2018; and (2) approve a budget amendment increasing appropriations by \$20,285 in the Public Defender's budget offset by a commensurate cost-applied revenue amount from Probation's budget to hire an Extra Help Social Worker to help implement the Program.

**SUMMARY**

Shasta County was offered additional funding for the Proud Parenting Program grant and would like to accept the funds and use \$20,285 for an Extra Help Social Worker at the Public Defender's Office to help connect offenders with services and \$10,056 for the Health and Human Services Agency's Nurse Family Partnership program.

**DISCUSSION**

In 2015, Shasta County was chosen through a competitive grant process to receive funds through the Proud Parenting Program grant administered by the Board of State and Community Corrections (BSCC). The Proud Parenting Program is designed to break the intergenerational cycle of violence and delinquency by increasing parenting knowledge, improving attitudes about responsible parenting, improving self-esteem, and improving relationships between parents and their children. The target population is parents between the ages of 14 and 25 who are involved with the justice system and/or child welfare system, and their children. These funds are not intended to be used for people without children. Probation Departments throughout the state were allowed to request up to \$119,285.

Shasta County used the grant funds to (1) allow the Probation Department to contract with community based organizations (CBO)

to administer Nurturing Fathers curriculum and Triple P Positive Parenting Program; and (2) allow the Shasta County Health and Human Services Agency (HHSA) to hire a half-time Public Health Nurse II for the Nurse Family Partnership Program (NFP) to work with young mothers who are either on probation supervision or have children whose biological father is on probation supervision.

The BSCC had some counties who did not spend their funds and offered Shasta County additional funding in December 2017. Shasta County proposes to use the additional funding of \$30,341, to fund an Extra Help Social Worker at the Public Defender’s Office to help connect offenders to the services established by the grant and to increase the capacity and cover some operating expenses of the Nurse Family Partnership program administered by HHSA. The budget amendment request reflects the effect on the Public Defender’s budget. HHSA’s budget has sufficient authority to cover the costs.

On August 16, 2016, the Board of Supervisors approved and authorized the Chief Probation Officer to sign and submit the retroactive Proud Parenting Program grant agreement with the Board of State and Community Corrections in an amount not to exceed \$119,285 to improve parenting skills and pregnancy health of offenders for the period July 1, 2016 through June 30, 2017; and sign and process other documents in Fiscal Year 2016-17 and future years (including retroactive) related to the grant, provided such documents do not result in a substantial or functional change to the original intent of the agreement. This authorization, however, did not include the ability to sign documents increasing the total revenue compensation.

**ALTERNATIVES**

The Board could choose not to designate signature authority to the Chief Probation Officer or decline the grant funds.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office has reviewed the recommendation. County Counsel has approved the amendment as to form. There are no modifications to insurance or indemnification and there is no change to the scope of work; therefore, Risk Management review is not applicable.

**FINANCING**

There is a ten percent match required for the grant. The Probation Department and Health and Human Services Agency have included sufficient authority for both grant funded and County in-kind match expenditures in their FY 2017-18 Adopted Budgets. The Public Defender’s full cost of the Extra Help Social Worker, including office supplies and other associated costs will be covered by the grant funds as Probation will offset the costs via a cost-applied account. HHSA’s budget has sufficient authority to cover the costs. There is no additional General Fund impact associated with the approval of the recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
First Amendment Proud Parenting	1/23/2018	First Amendment Proud Parenting
Budget Amendment Memo	1/23/2018	Budget Amendment Memo
Budget Amendment Worksheet	1/23/2018	Budget Amendment Worksheet

STATE OF CALIFORNIA  
**STANDARD AGREEMENT**

STD 213 A (Rev 06/03)

AGREEMENT NUMBER

**BSCC 533-17**

AMENDMENT NUMBER

**1**☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 1 Pages

REGISTRATION NUMBER

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

STATE AGENCY'S NAME

BOARD OF STATE AND COMMUNITY CORRECTIONS

CONTRACTOR'S NAME

SHASTA COUNTY PROBATION DEPARTMENT

The term of this

Agreement is:

July 1, 2017 through June 30, 2018

## 3. The maximum amount of this

**\$149,626**

Agreement after this Amendment is:

ONE HUNDRED FORTY-NINE THOUSAND SIX HUNDRED TWENTY-SIX DOLLARS AND NO CENTS

## 4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

This amendment adds \$30,341 to the contract. The total amount of the contract will not exceed \$149,626.

Budget and Payment Provisions Exhibit B, Item 7, Project Budget is hereby amended as shown.

Attachment 2: Year Three Reapplication, Section V is amended as attached.

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

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

SHASTA COUNTY PROBATION DEPARTMENT

BY (Authorized Signature)



DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

TRACIE NEAL, Chief Probation Officer

ADDRESS

2684 Radio Lane  
Redding CA 96001**STATE OF CALIFORNIA**

AGENCY NAME

BOARD OF STATE AND COMMUNITY CORRECTIONS

BY (Authorized Signature)



DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

MARY JOLLS, Deputy Director

ADDRESS

2590 Venture Oaks Way, Suite 200  
Sacramento CA 95833*California Department of  
General Services Use Only*☒ Exempt per: SCM 1, 4.06

**EXHIBIT B**  
**BUDGET AND PAYMENT PROVISIONS****7. PROJECT BUDGET**

LINE ITEM	GRANT FUNDS	CASH MATCH	IN-KIND MATCH	TOTAL
1. Salaries & Benefits	\$0	\$0	\$0	\$0
2. Services & Supplies	\$2,000	\$0	\$200	\$2,200
3. Professional Services	\$94,326	\$0	\$19,414	\$113,740
4. CBO Contracts	\$32,370	\$0	\$3,597	\$35,967
5. Indirect Costs <i>(not to exceed 10% of grant funds)</i>	\$9,000	\$0	\$900	\$9,900
6. Data Collection/ Evaluation <i>(min 5% of grant funds)</i>	\$11,930	\$0	\$1,325	\$13,255
7. Fixed Assets / Equipment	\$0	\$0	\$0	\$0
8. Other	\$0	\$0	\$0	\$0
<b>TOTALS</b>	<b>\$149,626</b>	<b>\$0</b>	<b>\$25,436</b>	<b>\$175,062</b>



## LAW OFFICES OF THE PUBLIC DEFENDER

### County of Shasta

**Jeffrey E. Gorder**  
Public Defender

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### MEMORANDUM

To: Brian Muir, Auditor-Controller

From: Jeffrey Gorder, Public Defender

Subject: **FY 17/18 Budget Amendment**

Date: January 22, 2018

Please prepare a net zero budget amendment per the attached budget amendment subject to the Board of Supervisors approval on January 30, 2018. For cost center 20700, please increase the Adjusted Budget for Account 017000 (**EXTRA HELP**) by \$20,285.00, and increase revenue to Account 088263 (**C/A Probation**) by \$20,285.00 to \$20,285.00. Probation received a Proud Parenting Grant, \$20,285.00 of which will fund an Extra-Help Social Worker in the Public Defender's Office through the remainder of FY 17/18.

County of Shasta

**Budget Amendment**

Public Defender

DEPARTMENT NAME

**APPROPRIATIONS**

INCREASE &lt;DECREASE&gt;

COST CENTER	ACCOUNT	ACCOUNT DESCRIPTION	BUDGET READS	BUDGET SHOULD READ	AMOUNT OF TRANSFER (+/-)
20700	017000	Extra Help	0	20,285	20,285
20700	088263	C/A Probation	0	(20,285)	(20,285)
				0	0
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
TOTAL					0

**REVENUE**

INCREASE &lt;DECREASE&gt;

COST CENTER	ACCOUNT	ACCOUNT DESCRIPTION	BUDGET READS	BUDGET SHOULD READ	AMOUNT OF TRANSFER (+/-)
			0	0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
				0	
TOTAL					0

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Law and Justice-12.

**SUBJECT:**

Approve Agreement with Del Norte County for Jail Beds

**DEPARTMENT:** Sheriff-Jail

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Dave Kent, Captain, 530-245-6120

**STAFF REPORT APPROVED BY:** Tom Bosenko, Sheriff-Coroner

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Approve and authorize the Chairman to sign an agreement with Del Norte County in an amount of not less than \$80 per day per inmate (total compensation not to exceed \$400,000) to house Shasta County inmates in the Del Norte County Jail Facilities from the date of signing through February 28, 2020, with two automatic one-year renewals.

**SUMMARY**

In June 2012, members of the Shasta County Sheriff's Office sought out other detention facilities to assist in housing Shasta County inmates. One of the counties which responded was Del Norte County Sheriff's Office. Del Norte and Shasta County began a contract on October 12, 2012. That contract was terminated in June 2017 due to the loss of funding for housing inmates in other county jails. In September of 2017 additional AB109 funding, to send inmates to other county jails, was approved by the Community Corrections Partnership Executive Committee (CCPEC) and Shasta County began renewing contracts with other counties for housing inmates. This contract will continue the previous services encompassing the housing of sentenced Shasta County inmates in Del Norte County.

**DISCUSSION**

California Penal Code 4115.5(a) allows the board of supervisors of a county where adequate facilities are not available to enter into an agreement with the board of supervisors of one or more counties whose county adult detention facilities are adequate and accessible to the first county for jail bed space. When such an agreement is in effect, commitments may be made by the court. Shasta County maintains agreements with other counties for these same services.

The recommended agreement with Del Norte County Sheriff shall provide custody and care pursuant to Minimum Standards for Local Detention Facilities set forth in California Code of Regulations Title 15 and 24, and in accordance with all applicable Federal, State and local laws, regulations and directives for each Shasta County Sheriff inmate transported to Del Norte County Sheriff for housing under this agreement.

Del Norte County Sheriff shall provide routine medical care inside the facilities in accordance with Title 15 requirements. Any outside medical services will be paid for by Shasta County Sheriff. Del Norte County agrees to notify Shasta County prior to any release of a Shasta County inmate. Once the inmate is set to be released from custody, the inmate will be returned to Shasta County for discharge. Shasta County Sheriff’s Office will assume the cost associated with the transportation to and from Del Norte County.

**ALTERNATIVES**

The Board of Supervisors may choose to request changes to the terms and conditions of the agreement, may choose to delay approval for the agreement until a later date, or may choose not to approve the agreement.

**OTHER AGENCY INVOLVEMENT**

County Counsel has approved the agreement as to form. Risk Management has reviewed and approved this agreement. The County Administrative Office has reviewed this recommendation.

**FINANCING**

Shasta County Sheriff agrees to pay Del Norte Sheriff for the housing of inmates at the daily rate of \$80 per day (\$77 per day per inmate for housing and \$3 per day per inmate for medical fee). Should a Shasta inmate while in the custody of Del Norte require urgent or emergency healthcare services, Shasta shall reimburse Del Norte for those costs. Costs associated with these services are funded with county AB109 funds. There is no additional General Fund impact with approval of the recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
Agreement with Del Norte County	1/22/2018	Agreement with Del Norte County

**PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND  
DEL NORTE COUNTY JAIL**

This agreement is entered into between the County of Shasta, a political subdivision of the State of California ("Shasta") and the County of Del Norte, a political subdivision of the State of California ("Del Norte") for the purpose of confining inmates from the Shasta County Jail in the Del Norte County Jail (collectively, the "Parties" and individually a "Party").

**Section 1.     RESPONSIBILITIES OF DEL NORTE.**

Pursuant to the terms and conditions of this agreement, Del Norte shall;

- A. Incarcerate Shasta inmates within the Del Norte's jail upon request by phone and or email of Shasta County staff when this confinement does not conflict with space availability subject to restrictions in **Section 2**.
- B. Ensure emergency medical treatment is provided if required. If non-emergency medical treatment is required outside of the facility, Shasta will arrange for such treatment and transportation to and from the medical providers. Shasta shall be responsible for costs for medical care outside the facility. Shasta will be notified if any circumstance arises.
- C. Upon written request of Shasta, release inmates to Shasta when they no longer require incarceration in the Del Norte jail.
- D. Provide Shasta with a copy of the booking sheet for all inmate(s) from Shasta, upon request by phone or email.
- E. Afford Shasta inmates, confined in Del Norte's jail pursuant to this MOU, the same legal rights and privileges as they would with any other confined inmate.
- F. Reserve the right to return any inmate to Shasta for any reason, including but not limited to: the inmate becomes a security issue, a discipline problem, refuses to program with other inmates, or afterward requires some form of "Special Housing"; or if the inmate requires a special accommodation for disability or otherwise that Del Norte cannot provide; or Del Norte needs the space for Del Norte's inmates; or at the sole discretion of Del Norte.
- G. Del Norte will not release any Shasta County inmate, under any circumstance, without prior approval from Shasta.

**Section 2.     RESPONSIBILITIES OF SHASTA**

Pursuant to the terms and conditions of this agreement, Shasta shall compensate Del Norte as prescribed in sections 3 and 4 of this agreement and shall;

- A. Notify Del Norte, by phone and or by email, when Shasta needs and is ready to transport an inmate to Del Norte's jail. Such notification will include the name of the

inmate and any escort who will be accompanying the inmate, the charge(s), the current custody grade at Shasta and the estimated time of arrival. Del Norte must approve the transfer of the inmate by phone and or by email before Shasta initiates the transfer. Upon arrival at Del Norte's jail, Shasta will provide the calculated sentencing booking sheet for the inmate from Shasta County Jail.

- B. Send inmates for a duration of thirty (30) days or more, not to exceed three hundred and sixty-five (365) days, who meet the current classification criteria, listed in 2.C and 2.D, for being housed in the Del Norte's Medium Security Jail Facility; such criteria may be amended from time to time by providing written notice of such amendment(s) to the other party.
- C. Send only sentenced inmates who fall within the category of non-violent, non-serious, and non-sex offenders. These inmates will be sentenced misdemeanants or low level felons, e.g., petty theft with prior or minor crimes against property, for housing in Del Norte's jail. Inmates must have a low to no escape risk pattern in their record.
- D. Send only healthy inmates and shall, as required by Title 15, Section 1206, Shasta will send a summary of pertinent individualized medical/mental health information with the inmate for delivery to Del Norte's Jail Medical Services. Del Norte will not accept any inmates with any significant medical or mental health issues and if a medical or mental health issue develops that in the sole discretion of Del Norte requires the inmate to be returned to Shasta, the Shasta County Sheriff's Office will pick up the inmate for return to Shasta as soon as possible, but in no event later than twenty-four (24) hours after request by phone and/or email from Del Norte.
- E. Agree that it is responsible for all major medical/mental health expenses for Shasta inmates. In addition to paying Del Norte the daily rate of \$77.00 per inmate per day as set forth in **Section 3.A** below, Shasta will pay Del Norte an additional \$3.00 per day per inmate to cover the cost of routine medical care and medications as set forth in **Section 3.B**. If medications are prescribed for the Shasta inmate, Shasta will deliver with the inmate a 10-day supply of all of the inmate's prescribed medications. After that, Del Norte will supply medications, which will be administered by Del Norte's Jail Medical Services staff according to Del Norte's Jail Medical Services policies and procedures. Shasta will reimburse Del Norte within thirty (30) days of invoice for costs incurred for urgent or emergency consultation, laboratory tests, imaging, or other urgent or emergency healthcare services rendered to the inmate while in custody of Del Norte. Shasta shall initiate and process all Medi-Cal or insurance billing, if applicable. Del Norte shall have no responsibility for Medi-Cal or insurance billing and processing.
- F. Notify by phone and/or email to Del Norte as soon as possible, but in no event with less than twenty-four (24) hours' notice, when a confined inmate requires temporary release due to scheduled court appearances, non-emergency medical treatment, and/or other appointments, as necessary. Such notification will include inmate and Shasta escort(s) name, expected arrival time, and expected return time and mode of travel.

- G. Complete at Shasta's sole expense any and all transporting required for Shasta inmates and notify Del Norte by phone and/or email of pending transfers or when an inmate no longer requires incarceration in the Del Norte jail. Such notification will include inmate and Shasta escort(s) name, expected arrival time and mode of travel.
- H. Make weekly contact by phone and/or email with Del Norte's Jail Supervisor while Shasta inmates are incarcerated in Del Norte's jail or more often as the situation dictates regarding Shasta inmate(s) health, welfare, and discipline.
- I. Agree that Shasta inmate(s) confined in Del Norte's jail are subject to the rules and directives of the Del Norte jail, including rules on disciplines and grievances.

**Section 3.     COMPENSATION.**

- A. Del Norte shall be paid at a rate of \$77.00 per day for the services described in this agreement.
- B. Shasta shall pay Del Norte an additional \$3.00 per day per inmate to cover the cost of routine medical care and medications.
- C. A day shall be defined as beginning at 0001 hours and ending at 2400 hours (midnight) or any portion thereof. This compensation as set forth in **Sections 3.A. and 3.B.** shall cover all expenses of Shasta incidental to this agreement and subsequent confinement of inmates in Del Norte's jail. Health, comfort, and personal items may be purchased by an inmate(s) while in Del Norte jail and such purchases are the inmate(s) sole expense and not expenses of Shasta.
- D. Shasta shall pay to Del Norte a maximum of \$400,000.00 for all reasonable and necessary costs in accordance with applicable Circulars of the Office of Management and Budget ("OMB") of the Executive Office of the President of the United States, for satisfactorily providing services pursuant to this agreement. In no event shall the maximum amount payable under this agreement exceed \$400,000.00 during the initial term and any automatic extensions.
- E. Del Norte's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

**Section 4.     BILLING AND PAYMENT.**

Del Norte shall submit to Shasta within five days after completion of the services prescribed in section 1, an itemized statement or invoice of services rendered. Shasta County shall make payment within 30 days of receipt of Del Norte's correct and approved statement or invoice.

**Section 5.     TERM OF AGREEMENT.**

The initial term of this agreement commence as of the last date it has been signed by all Parties and end February 28, 2020. The term of this agreement shall be automatically

renewed for two additional one-year terms at the end of the initial term, under the same terms and conditions unless written notice of non-renewal is provided by either Party to the other Party at least 30 days prior to the expiration of the initial term or the then current term. Notwithstanding the foregoing, Shasta shall not be obligated for payments hereunder for any future Shasta fiscal year unless or until Shasta's Board of Supervisors appropriates funds for this agreement in Shasta's budget for that Shasta fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30 of the last Shasta fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement, the Shasta fiscal year commences on July 1 and ends on June 30 of the following year. Shasta shall notify Del Norte in writing of such non-appropriation at the earliest possible date.

**Section 6. TERMINATION OF AGREEMENT.**

- A. If either party materially fails to perform that Party's responsibilities under this agreement to the satisfaction of the other Party, or if Party fails to fulfill in a timely and professional manner Party's responsibilities under this agreement, or if Del Norte violates any of the terms or provisions of this agreement, then Shasta shall have the right to terminate this agreement for cause effective immediately upon the Shasta giving written notice thereof to Del Norte. If termination for cause is given by Shasta to Del Norte and it is later determined that Del Norte was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.
- B. Either party may terminate this agreement without cause on 30 days written notice to the other party.
- C. Shasta may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. Shasta's right to terminate this agreement may be exercised by the Shasta County Sheriff or his/her designee, County Executive Officer, or by the Shasta County Board of Supervisors.
- E. Should this agreement be terminated, Del Norte shall promptly provide to Shasta any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Del Norte pursuant to this agreement.
- F. If this agreement is terminated, Del Norte shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

**Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS; EXHIBITS/APPENDICES.**

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Del Norte shall be entitled to no other benefits other than those specified herein. Del Norte specifically acknowledges that in entering into and executing this

agreement, Del Norte relies solely upon the provisions contained in this agreement and no others.

- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Del Norte and Shasta County Sheriff, provided that the amendment is in substantially the same format as the Shasta's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).
- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

**Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.**

Inasmuch as this agreement is intended to secure the specialized services of Del Norte, Del Norte may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of Shasta. The waiver by Shasta of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

**Section 9. INDEMNIFICATION.**

Each party shall defend, indemnify, and hold the other party, its officials, officers, employees, agents, and volunteers, harmless from and against any and all liability, loss, expenses (including reasonable attorney's fees), or claims for injury or damage arising out of the performance of the agreement, but only in proportion to and to the extent such liability, loss, expenses (including reasonable attorney's fees), or claims for injury or damage are caused by or result from the negligent or intentional acts or omissions of the indemnifying party, its officials, officers, employees, agents, subcontractors, or volunteers.

**Section 10. INSURANCE COVERAGE.**

Shasta and Del Norte shall each maintain and keep in force at their sole cost and expense during the term of this agreement, the following insurance programs of self-insurance.

- A. General liability insurance in the amount of not less than \$1,000,000 per claim and \$3,000,000 aggregate per year.
- B. Automobile liability insurance with a combined single limit of not less than \$1,000,000 per accident against bodily injury and property damage liability

arising out of the use of any owned, non-owned or hired motor vehicle or automotive equipment.

- C. Professional liability insurance in the amount of not less than \$1,000,000 per claim; and,
- D. Worker's compensation insurance with statutory limits as required by the laws of California, and Employers Liability insurance on an "occurrence" basis with a limit of not less than \$1,000,000.
- E. Each party shall provide a certificate of insurance, or a letter of self-insurance, upon request of the other party. There must be insurance coverage for the entire period commencing on the effective date of this agreement and ending on the date that is two (2) years beyond the final date that this agreement is effective, including any extensions or renewals of this agreement. Such insurance must satisfy the liability limit requirement of this Section.

**Section 11. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.**

- A. If any claim for damages is filed with Del Norte or if any lawsuit is instituted concerning Del Norte's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect Shasta, Del Norte shall give prompt and timely notice thereof to Shasta. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

**Section 12. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.**

- A. The Parties shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.
- B. The Parties shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Del Norte represents that Del Norte is in compliance with and agrees that Del Norte shall continue to comply with the Americans with Disabilities Act of 1990

(42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.

- D. No funds or compensation received by Del Norte under this agreement shall be used by Del Norte for sectarian worship, instruction, or proselytization. No funds or compensation received by Del Norte under this agreement shall be used to provide direct, immediate, or substantial support to any religious activity.
- E. In addition to any other provisions of this agreement, Del Norte shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Del Norte's noncompliance with the provisions of this section.

**Section 13. ACCESS TO RECORDS; RECORDS RETENTION.**

- A. Shasta, federal, and state officials shall have access to any books, documents, papers, and records of Del Norte that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Del Norte or Shasta. Except where longer retention is required by federal or state law, Del Norte shall maintain all records for five years after Shasta makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Del Norte shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Del Norte shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to Shasta during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by Shasta, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.
- C. Del Norte agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or Shasta audit directly related to the provisions of this agreement. Del Norte agrees to repay Shasta the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Del Norte agrees that Shasta may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Del Norte.

**Section 14. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.**

Del Norte's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Del Norte's employees or failure to implement lawfully

served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Del Norte's failure to cure such default within 90 days of notice by Shasta shall be grounds for termination of this agreement.

**Section 15. LICENSES AND PERMITS.**

Del Norte, and Del Norte's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the Shasta of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by Shasta. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by Shasta.

**Section 16. PERFORMANCE STANDARDS.**

Del Norte shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Del Norte's work or services.

**Section 17. CONFLICTS OF INTEREST.**

Del Norte and Del Norte's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

**Section 18. NOTICES.**

- A. Except as provided in section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to Shasta:

Sheriff  
Shasta County Sheriff's Office  
300 Park Marina Circle  
Redding, CA 96001  
Phone: 530-245-6165  
Fax: 530-245-6173

If to Del Norte:

Sheriff  
Del Norte Shasta Sheriff's Office  
650 Fifth Street  
Crescent City, CA 95531  
Phone: (707) 464-4191  
Fax: (707) 464-6527

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the Shasta as provided for in this agreement may be executed and/or exercised by the Shasta Executive Officer.

**Section 19. AGREEMENT PREPARATION.**

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

**Section 20. COMPLIANCE WITH POLITICAL REFORM ACT.**

Del Norte shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the Shasta's Conflict of Interest Code, with regard to any obligation on the part of Del Norte to disclose financial interests and to recuse from influencing any Shasta decision which may affect Del Norte's financial interests. If required by the Shasta's Conflict of Interest Code, Del Norte shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

**Section 21. SEVERABILITY.**

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or Shasta ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

**Section 22 CONFIDENTIALITY.**

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

**Section 23. USE OF SHASTA PROPERTY.**

Del Norte shall not use Shasta premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Del Norte's obligations under this agreement.

SIGNATURE PAGE FOLLOWS

**IN WITNESS WHEREOF**, Shasta and Del Norte have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

**COUNTY OF SHASTA**

Date: \_\_\_\_\_

\_\_\_\_\_  
Les Baugh, Board of Supervisors  
County of Shasta, State of California

ATTEST:

**RISK MANAGEMENT APPROVAL**

LAWRENCE G. LEES  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

By: 12/27/17  
James Johnson  
Risk Management Analyst III

Approved as to form:  
RUBIN E. CRUSE, JR  
County Counsel

12/27/17  
By: Adam Pressman  
Senior Deputy County Counsel

**COUNTY OF DEL NORTE**

Date: 01/09/18

By: \_\_\_\_\_  
Chris Howard, Chair, Board of Supervisors

Date: 01/18/18

By: \_\_\_\_\_  
Erik Apperson, Sheriff  
Tax I.D.#: On File

**RISK MANAGEMENT APPROVAL**

By: \_\_\_\_\_  
Cathy Hafterson, Risk Management

Approved as to form:

By: \_\_\_\_\_  
Elizabeth Cable, County Counsel

ATTEST: I hereby certify that according to the provisions of Government Code Section 25103, Delivery of this document has been made.

By: \_\_\_\_\_  
Kylie Herford, Clerk of the Board

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Consent - Public Works-13.

**SUBJECT:**

Jail Boiler Replacement – Notice of Completion

**DEPARTMENT:** Public Works

**Supervisory District No. :** All

**DEPARTMENT CONTACT:** Pat Minturn, Public Works Director, (530) 225-5661

**STAFF REPORT APPROVED BY:** Pat Minturn, Public Works Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Approve and authorize the Public Works Director to sign a Notice of Completion for the “Jail Boiler Replacement,” Contract No. 610460, and record it within 15 days of actual completion of the work.

**SUMMARY**

The Jail Boiler Replacement project is nearing completion.

**DISCUSSION**

On September 19, 2017, Stephens Construction, Inc. was awarded a contract for the Jail Boiler Replacement project. HVAC and potable water systems were replaced. The work on this project is estimated to be substantially complete on January 30, 2018.

**ALTERNATIVES**

The Board may decline to file a Notice of Completion. The lien period would extend for 90 days instead of 30 days. Final payment to the contractor would be delayed by 60 days.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office has reviewed this recommendation.

**FINANCING**

The total cost of the project, including design, construction, inspection and contingencies is estimated to be \$665,000. The Judicial Council of California occupies a portion of the building, and is required to pay for 3.31% of this cost. There is no additional General Fund impact with the recommended action.

REPORT TO SHASTA COUNTY BOARD OF SUPERVISORS

**BOARD MEETING DATE:** January 30, 2018

**CATEGORY:** Scheduled Hearings - Health and Human Services-3.

**SUBJECT:**

Conduct a Public Hearing regarding the potential uses of Community Development Block Grant (CDBG) Program Income funds.

**DEPARTMENT:** Housing and Community Action Programs

**Supervisory District No. :** ALL

**DEPARTMENT CONTACT:** Laura Burch, Director, 530-225-5160

**STAFF REPORT APPROVED BY:** Laura Burch, Director

Vote Required?	General Fund Impact?
Simple Majority Vote	No Additional General Fund Impact

**RECOMMENDATION**

Take the following actions regarding the Community Development Block Grant Program Income Reuse: (1) Conduct a public hearing; (2) close the public hearing; and (3) provide direction to staff based on public comments.

**SUMMARY**

The purpose of this public hearing is to accept comments from local citizens regarding the CDBG Program Income Reuse Plan (CDBG PI Plan), to allow opportunity to obtain resident’s views, and to respond to proposals and questions. This is the first of two public hearings held for consideration and evaluation of the CDBG Plan.

**DISCUSSION**

The California Department of Housing and Community Development (HCD) and state and federal regulations from the Department of Housing and Urban Development (HUD) require periodic updates to the County’s CDBG Program Income Reuse Plan (CDBG PI Plan). The CDBG PI Plan governs how these CDBG PI funds are to be expended. Under the CDBG Program, there are specific rules and requirements that apply to the management and use of Program Income received by local jurisdictions. In the past, CDBG funds were used by Shasta County Department of Housing and Community Action Programs to rehabilitate housing and community facilities via low interest loans. When loans are repaid, the funds become CDBG Program Income (PI).

Possible uses of PI might include community development, housing needs, furthering fair housing, and economic development activities. This public hearing is to solicit input from the community for the best way to utilize CDBG PI and for input on what to include in the PI Plan. The attached PI Plan is currently in draft form and the public is encouraged to provide comment and input on the draft plan and share ideas on how to best use the PI. Such input from the community will be considered prior to a determination of how to use the CDBG PI and prior to a determination of what to include in the final CDBG PI Plan. The final determination and CDBG PI Plan will be proposed to the Board of Supervisors at a date to be determined, either after or in conjunction with a subsequent public hearing concerning the use of PI and the adoption of a

CDBG PI Plan.

This hearing was noticed in the Record Searchlight 10 days prior and the notice is on file with the Clerk of the Board.

**ALTERNATIVES**

The Board of Supervisors could decline to conduct of public hearing to solicit citizen input or reschedule for a future date.

**OTHER AGENCY INVOLVEMENT**

The County Administrative Office has reviewed the recommendation.

**FINANCING**

There is no additional General Fund impact associated with approval of the recommendation.

**ATTACHMENTS:**

Description	Upload Date	Description
Program Income Reuse Plan	1/25/2018	Program Income Reuse Plan

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
(CDBG)  
PROGRAM INCOME (PI) REUSE AGREEMENT

*Execution of the this Program Income (PI) Reuse Agreement by both the Jurisdiction and the California, State Department of Housing and Community Development (Department) provides official notification of the Department's approval for the Jurisdiction to expend PI funds under the State's administration of the Federal Community Development Block Grant Program (CDBG) for (1) State Non-Entitlement Jurisdictions; and (2) former State Non-Entitlement Jurisdictions that are now Entitlement Jurisdictions; pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. CDBG funding is listed in the Catalog of Federal Domestic Assistance as 14.228 - CDBG Community Development Block Grant Program. The Agreement also includes asset repayments from activities administered under Disaster Recovery Initiative (DRI) contracts.*

*By completing this PI Reuse Agreement and signing the end of this document, the Authorized Representative certifies the Jurisdiction has read, understands and will adhere to the PI Reuse Overview and Process discussed in the first section of this document, the Jurisdictional Certifications in the second section of this document, and Department of Housing and Community Development (hereinafter Department) terms and conditions in the third section of this document.*

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**SECTION ONE: OVERVIEW AND PROCESS**

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JURISDICTION: \_\_\_\_\_

GOVERNING BODY ADOPTED ON: \_\_\_\_\_

This PI Reuse Agreement establishes policies and procedures for the administration and utilization of PI received as a direct result of eligible activities funded under CDBG and DRI contracts with the Department. *For payments generated under DRI contracts, while the funding was loaned under DRI, when a payment is received, per DRI regulation, the payment becomes CDBG PI.*

**Applicability of this Agreement:**

This PI Reuse Agreement between the Jurisdiction and Department is required by CDBG Federal Regulation. This Agreement allows Jurisdictions receiving repayments from CDBG and DRI assets to spend those PI funds in the absence of an active Department CDBG grant contract. This Agreement applies to all current Department-eligible Non-Entitlement Jurisdictions and HUD Entitlement Jurisdictions that are receiving Department Non-Entitlement PI funds (CDBG and DRI).

## RECEIPT OF PROGRAM INCOME

Pursuant to the definition of PI found at 24 CFR 570.489(e)(2), repayments of assets generated from use of CDBG funds received by the Jurisdiction from the Department are PI. These repayments of loans, lease payments, and proceeds of asset sales will be deposited into one of three separate local PI accounts depending on what activity generated the PI. It is possible that the Jurisdiction may have up to three separate accounts with which to manage PI.

1. If the Jurisdiction has a Department approved Revolving Loan Fund (RLF) for Housing and/or Economic Development (ED), any PI from Housing or ED activities must be deposited into the RLF associated with the activity that generated the PI.

This means:

- a. Housing PI must be deposited into the Housing RLF.
- b. ED PI must be deposited into the ED RLF.

**Note:** *The accounts for each RLF must be separate accounts, however, both must be interest bearing.*

2. If RLF(s) are not approved for use, the Jurisdiction must deposit all CDBG repayments into a single regular PI account which must be separate from either of the RLF accounts, but it must also be interest bearing.
3. If repayment comes from a loan or asset that was originally paid with CDBG and non-CDBG funds, the PI accounting and reporting must reflect the correct amounts and proportions of CDBG PI and non-CDBG funds invested in the asset. Only the CDBG portion of the repayment is deposited into one of the three PI accounts.

## OVERVIEW OF WAYS TO USE PROGRAM INCOME

*There are five (5) ways to manage PI under the Agreement. They are:*

1. *Expend PI and RLF monies first on active grant contract activities;*
2. *Expend PI for General Administration (GA) Activities (up to allowable limits);*
3. *Expend through an approved PI Revolving Loan Fund (RLF);*
4. *Expend PI on an approved waiver activity when no active contract is in force; and,*
5. *Return PI annually to the Department.*

The undersigned Jurisdiction certifies that PI will be expended first when there is an active grant contract with the Department. PI being received when there is no active grant contract will be deposited into separate accounts for approved activities under this Agreement (via GA, PI Waiver or RLF) and only be distributed and expended, as follows:

### **1. Expend PI and RLF Monies First on Active Grant Contract Activities:**

If the undersigned Jurisdiction has an active grant contract with the Department, all PI on hand must be expended on open grant activities, prior to requesting grant funds from the Department.

If the undersigned Jurisdiction has a Department approved PI Revolving Loan

Fund (RLF) per this Agreement, and has an active grant contract which includes the same eligible CDBG activity as the RLF, the RLF monies must be expended first before requesting any contract funds from the Department. PI must always be expended first on active contract activities, prior to requesting grant contract funds.

See the Chapter on Program Income and Revolving Loan Funds in the Department's CDBG Grant Management Manual (GMM) for additional information regarding use of PI to pay costs for activities under an active grant contract in the Department.

**2. Expend PI General Administration (PI GA) for GA Activities (up to allowable limits)**

The undersigned Jurisdiction must track a calculation of up to seventeen percent (17%) of PI received annually for eligible GA costs. However, the seventeen percent (17%) PI GA only applies to PI received that is **not** generated by a RLF activity.

PI, including PI GA, must be expended first, prior to requesting funds from the Department under an active grant contract. PI GA funds cannot be held and used only as PI GA costs are incurred. All PI must be spent prior to the next funds request submitted. The Jurisdiction can choose to keep an accounting of the total amount of PI GA available for use based on all regular PI received and report this on Department PI Reports semi-annually.

PI GA funds cannot be used for planning studies or technical assistance activities, these activities can only be funded under awarded grant contracts. See the PI Chapter for further details on eligible PI GA activities under this Agreement.

**3. Expend PI through an approved PI Revolving Loan Fund (RLF):**

To establish one or both of the RLFs discussed below, the undersigned Jurisdiction must submit formal written request for Department approval using the required process included with this Agreement.

The undersigned Jurisdiction agrees to all the Department's RLF requirements as stated in this Agreement and detailed in the GMM Chapter.

**The two RLFs and their corresponding definitions, as permitted by this Agreement, are:**

**A. Housing Revolving Loan Fund (RLF)**

Eligible housing activities under this RLF include:

- I. Housing Rehabilitation (HR) - Single Unit Residence program for **owner and/or tenant occupied** properties. Matrix code **14A**.
- II. Housing Rehabilitation (HR) - 2-4 Units program for **tenant occupied**

properties. Matrix code **14B**.

- III. Housing Acquisition (HA) - Single-family program for homebuyer assistance. Matrix code **13**.

**B. Economic Development (ED) Revolving Loan Funds (RLF)**

Eligible ED activities under this RLF include:

- I. Business Assistance (BA) program (direct financial assistance to a for-profit business). Matrix code **18A**; and,
- II. Microenterprise Financial Assistance (ME Loans) program. Matrix code **18C**.

The undersigned Jurisdiction will ensure that their programs have appropriate and up-to-date Guidelines and will administer the programs according to CDBG Regulations and policies and procedures. Per the above activities Grant Management Manual Chapters, Program Guidelines must comply with those rules. **Note:** *CDBG is now requiring that Housing Rehabilitation Guidelines (1-4 Units) be separated into two guidelines: Owner-Occupied (1-unit) and Tenant-Occupied (1-4 Units). At minimum the Housing Rehabilitation Guidelines must be separate by two sections.*

Department written approval must be received before incurring any activity or activity delivery costs associated with implementing any activities under the approved RLF. All approved RLF projects, will be required to be reported to the Department via the applicable CDBG Set-up/Completion reports.

**4. Expend PI on an Approved PI Waiver Activity when no active contract is in force.**

The undersigned Jurisdiction may only utilize the Department's PI Waiver process when it has no active grant contracts with the Department. Once there are no active contracts with the Department, the undersigned Jurisdiction can have up to two active eligible CDBG activities approved by the Department, for which PI may be expended. Waivers will consist of a single program, service or single project activity. If it is a single program activity, it cannot be the same program activity as funded under an approved RLF.

The undersigned Jurisdiction will follow all PI Waiver procedural requirements as stated in the PI Chapter of the GMM.

Written Department approval is required before expending any PI funds on a Waiver activity. Each Waiver activity must clear the activity General Conditions, and any Special Conditions, which include Federal overlays as posted on Department's webpage.

A PI Waiver project can only be approved if the total project / program cost for the proposed activity is on hand in the Jurisdiction's PI account. Future PI may not be committed for PI Waivers.

The undersigned Jurisdiction understands that PI Waiver activities are limited to two active projects, services and/or programs, and will remain active until close out has been completed and approved by the Department. Each approved Waiver activity will be set up with the Department using current Set-Up Report.

The undersigned Jurisdiction understands if they receive a subsequent award of CDBG funds, upon execution of the new grant contract all waiver activities are to be completed first, after which, PI must be expended first on the active grant contract activities. PI Waivers will not be included in the grant, because Supplemental activities will be included in contracts.

**5. Return PI to the Department**

The undersigned Jurisdiction has the option to return PI back to the Department. However, semi-annual and annual reports are still required to confirm PI being returned.

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## SECTION TWO: PROCEDURES AND USE OF PROGRAM INCOME

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*Since CDBG is a Federal funding source, Citizen Participation is required when utilizing any of the five (5) ways to use PI listed above. Those requirements are incorporated below.*

The \_\_\_\_\_ certifies that:

1. **Resolution:**

The PI Reuse Agreement was formally adopted via resolution on \_\_\_\_\_ by the Jurisdiction's Governing Body, executed by the Authorized Representative and submitted to the Department with certified copy of the approving resolution attached for full execution.

2. **Citizen Participation:**

Each of the processes discussed in this Agreement will be carried out in compliance with the CDBG Citizen Participation process, as specified in Federal Regulations at 24 CFR 570.486, and Jurisdiction's public hearing requirements.

3. **Governing Compliance:**

The undersigned Jurisdiction certifies the administration of all CDBG eligible activities conducted under the above described Ways to Spend PI, will be conducted in compliance with all current State and Federal Regulations and policies, including all applicable GMM chapters and Department Management Memorandums.

4. **Ineligible Activities and Costs:**

The undersigned Jurisdiction acknowledges that if ineligible activities or costs are paid for with CDBG PI, those funds must be returned to the Jurisdiction's PI or RLF account (whichever account expended ineligible funds) using local Jurisdiction funds.

The undersigned Jurisdiction acknowledges that ineligible activities or costs paid for with PI under an active grant contract must be repaid to the Department using local non-Federal funds.

5. **Jurisdictions Leaving the State Non-Entitlement Program and Jurisdictions Entering the State Non-Entitlement Program:**

The undersigned Jurisdiction certifies that it will follow these procedures when leaving or entering the State CDBG Program:

**A. 24 CFR 570.489(e)(3)(iii) Transfer of program income to Entitlement program.**

Jurisdictions that were State CDBG Program participants but become entitlement communities or part of an urban agreement, have the following options for PI and RLFs:

PI not associated with a RLF, the jurisdiction must:

- 1) Complete the process to certify they will be reporting the State PI into the Entitlement Programs process, including receipting the CDBG proceeds into IDIS; or,
- 2) Return all State CDBG PI to the Department, the amounts on hand once the HUD agreement is signed and as it is received until all PI generated by State CDBG funding has been returned.

PI in an approved RLF:

Entitlement jurisdictions and those who are part of an urban agreement may keep their RLF(s) and monies within an RLF as long as the following is met:

- 1) They have a State PI Reuse Agreement signed by the Department and the City/County Authorized Representative.
- 2) Agree to operate the RLF under the Department's RLF rules going forward.
- 3) Report all expenditures and accounting of RLF(s), as required by the Department.
- 4) The Jurisdiction shall be required to have: a) loan servicing policies and procedures; and, b) asset management policies and procedures, pursuant to the Department's Grant Management Manual Chapter on Asset and Real Property Management.

**B. 24 CFR 570.489(e)(3) (iv) Transfer of program income of grantees losing Entitlement status.**

Upon entry into the State CDBG Program, a unit of general local government that has lost or relinquished its Entitlement status must submit a letter to the Department, signed by the Authorized Representative stating which of the following options the jurisdiction will be implementing. Keep in mind, that retaining Entitlement PI while participating in the State CDBG Program will require PI reporting for both sets of funding. Entitlement PI and any PI generated by State CDBG fund cannot be comingled.

Within 90 days of leaving the Entitlement Program to join the State CDBG

Program, the jurisdiction must certify that it will either:

- 1) Retain PI generated under Entitlement grants and continue to comply with Entitlement Program requirements for PI, including reporting it into IDIS or the urban county; or,
- 2) Retain the PI and transfer it to the State CDBG Program, in which case the jurisdiction must comply with the State's rules for PI and RLF contained in this Agreement and current PI Chapter in the Department's CDBG Grant Management Manual.

## **6. Requirements of Program Income**

This PI Reuse Agreement is intended to satisfy the requirements specified in Federal Statute and Regulation at Section 104(j) of the Housing and Community Development Act ("the Act"), as amended in 1992 and 24 CFR 570.489(e) and (f). These statutory and regulatory sections permit a unit of local government to retain PI for CDBG-eligible activities, with Department approval. Under Federal Guidelines adopted by the State of California's CDBG Program, local governments are permitted to retain PI as long as the local government has received advance approval from the State of a local agreement that will govern the expenditure of the PI. This Agreement has been developed to meet that requirement when an active contract between the Department and the undersigned Jurisdiction is not in force.

The undersigned Jurisdiction certifies their PI will be used to fund eligible CDBG activities that meet a National Objective and any public benefit requirements. Eligible activities, National Objective and public benefit requirements are specified in Federal Statute at Sections 104(b), 105(a) of The Housing and Community Development Act of 1974, and in Federal Regulations at 24 CFR 570.482 and 24 CFR 570.483. The Jurisdiction understands, if it is determined that an activity/project funded with PI that does not meet a National Objective and/or meet the public benefit requirement, the Jurisdiction will be required to use its own local funds to repay the PI Account.

## **7. Definition of Program Income**

"Program Income" means gross income earned by the Jurisdiction from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR, Part 570.489(e) - Program Administrative Requirements as amended in the CDBG Final Rule, 24 CFR, Part 570.504 - Program Income, 24 CFR Part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments, and OMB Circulars A-87 and A-122 as applicable. These regulations include the requirement that the Jurisdiction record the receipt and expenditure of PI as part of the financial transactions of the grant activity(ies).

For activities generating PI that are only partially funded with CDBG funds, such income is prorated to reflect the actual percentage of CDBG participation. Examples of PI include but are not limited to: payments of principal and interest

on housing rehabilitation or business loans made using CDBG funds; interest earned on PI pending its disposition; interest earned on funds that have been placed in a revolving loan account; net proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds; and, income (net of costs that are incidental to the generation of the income) from the use or rental of real property that has been acquired, constructed or improved with CDBG funds and that is owned (in whole or in part) by the participating Jurisdiction or Subrecipient.

**8. Fiscal Reporting of Program Income Receipts, Deposits and Disbursements**

The undersigned Jurisdiction certifies that CDBG PI will be accounted for using the Department's fiscal year timeframe (July 1 to June 30). All receipts of PI or RLF revenue (and the depositing of those funds into separate account(s)), and expenditures of PI in accordance with this PI Reuse Agreement, will be monitored and reported per the Department's fiscal year cycle. The undersigned Jurisdiction certifies that they will report using the Department's reports/forms and will submit them in a timely manner.

**9. Duration of This Program Income Reuse Agreement**

The undersigned Jurisdiction certifies that it and its Governing Body understand that this document is effective for five (5) years from the execution date by the authorized CDBG Representative listed in this Agreement. At that time unless here are no further CDBG PI assets generating repayments, or the Jurisdiction has become a HUD entitlement Jurisdiction and uses these funds for entitlement activities, a new PI Reuse Agreement will be submitted to the Department. The Department has the Authority to void the Agreement with notice for cause.

**10. Program Income General Administration (PI GA)**

- A. After the PI Reuse Agreement is executed, the Jurisdiction reserves the right to calculate and track up to seventeen percent (17%) of PI received pursuant to Section 1, item 2 above, for payment of eligible PI GA costs. PI GA will not be calculated for any RLF deposits. As noted above, these funds cannot be set aside since all PI must be expended first on whatever CDBG cost must be paid, however tracking the amount of PI GA generated by the Jurisdiction's PI revenue permits the Jurisdiction to use that amount on eligible CDBG costs that don't have to meet a National Objective, and ensures the Department is not exceeding the administrative funding cap of twenty percent (20%), as set by Federal statute.
- B. If more funds are expended than what is available under PI GA calculation, the Jurisdiction will be required to return the over-expended PI GA amount back into their PI Account.
- C. Ineligible PI GA costs will be required to be returned to their PI Account.
- D. PI GA funds, once approved for use, may be used to pay for costs

associated with receiving Department approval of PI activities funded under this Agreement. Before submitting any proposed PI activities (Waivers or RLF) for Department approval, the Jurisdiction must hold at least one formal public hearing to discuss eligible activities and proposed PI activities. Department recommends that this public hearing be conducted to review current fiscal year PI activities and proposed and possible activities for future Department applications.

#### **11. Revolving Loan Funds (RLFs)**

- A. Pursuant to the criteria noted below, the undersigned Jurisdiction may be eligible to request Department approval of the Housing RLF and/or the ED RLF.
- B. RLFs listed under the Agreement will only be utilized after the Jurisdiction submits written certification and receives written Departmental approval certifying that the proposed RLF meets the Department's definition as follows:
  - 1) There are existing loans and assets from past RLF eligible activities that can be reasonably expected to generate repayments.
  - 2) The existing loans and assets have generated at least one loan repayment in the current fiscal year.
- C. The two RLFs and their respective CDBG eligible activities listed in this Agreement will be administered under the guidance and requirements provided in this Agreement and in the Department's current GMM Chapter on PI, and any subsequent policy, regulation, or statutory guidance from the Department.
- D. Pursuant to Management Memorandum 14-05 and/or the current PI Chapter in the GMM, the undersigned Jurisdiction certifies acknowledgement that the Department reserves the right to cancel the grantee's RLF and require the funds to be returned to the Department as a corrective action for significant, ongoing non-compliance with RLF rules.
- E. The two (2) RLFs listed below each have a multiple eligible CDBG Program activities. All CDBG rules pertaining to eligible RLF Program activities, including Department written approval for establishing, will be followed.

##### **1) Housing Revolving Loan Fund**

Eligible housing activities under this RLF include:

- i. Housing Rehabilitation (HR) - Single Unit Residence program for owner and/or tenant occupied properties. Matrix code **14A**.
- ii. Housing Rehabilitation (HR) - 2-4 Units program for owner and/or tenant occupied properties. Matrix code **14B**.
- iii. Housing Acquisition (HA) - Single-family program for homebuyer assistance. Matrix code **13**.

## **2) Economic Development (ED) Revolving Loan Funds (RLF)**

Eligible ED activities under this RLF include:

- i. Business Assistance (BA) program (direct financial assistance to a for-profit business). Matrix code **18A**.
- ii. Microenterprise Financial Assistance (ME Loans) program. Matrix code **18C**.

- F. Each approved RLF will offer all eligible activities under the RLF definition.
- G. Separate and formally adopted City/County Program Guidelines for each eligible activity must be completed by the Jurisdiction before requesting Department approval of a RLF. Program Guidelines and their approval date will be reviewed at monitoring.
- H. The undersigned Jurisdiction acknowledges that although all eligible activities under each approved RLF must be available, the Jurisdiction has the discretion to fund RLF loans for the activity or activities they deem to address the greatest need in their community.
- I. RLF receipts on deposit may be used for one or both single-family housing program activities. Although each Housing activity is required to be approved by the Department for use under the RLF, the Jurisdiction may choose to only operate one activity at a time or all three simultaneously.
- J. In addition, each approved RLF will meet the following criteria:
  - 1) RLFs will operate on a fiscal year of July 1 to June 30 for accounting and performance reporting.
  - 2) Jurisdictions will set up RLFs as separate accounts (Housing and ED RLF accounts must be separate) with separate fund and transaction numbers. All other CDBG funds received as PI must be accounted for in a separate account.
  - 3) All accounts set up pursuant to 2.G.2 will be interest bearing.
  - 4) RLF monies will be expended first when the same RLF activity is funded under an awarded active grant contract.
  - 5) RLF projects may be funded with both RLF monies and an active grant contract.
  - 6) RLFs programs will not provide grants to eligible project activities. Thus, activities under an active contract that are funded using only grants rather than loans will use contract funds not RLF monies to pay for the activity. RLF Program activities that are also funded under an active contract, but limited to only grants to projects, will not require RLF funds to be spent first on the active grant activities.
  - 7) The RLFs will primarily provide financing instruments that will revolve, (i.e., loans), RLFs cannot fund projects primarily or solely with grants or forgivable loans.
  - 8) RLF receipts from loans or assets generated from the same program

- activity (i.e., single-family housing rehabilitation loan repayments) will only be deposited into a Housing RLF. Thus, repayments from the same program activities that go into an RLF must be used for originating loans for the same program activities.
- 9) RLF PI balances will not be moved to another approved RLF account or to the Jurisdiction's regular PI account. The Department may use a State or Federal disaster declaration to formally allow for re-purposing of PI funds by the Jurisdiction. Funds approved by the Department for re-purposing to meet an urgent need are considered PI and must be expended first under active grant contracts or under approved waivers, if there is no active contract.
  - 10) RLFs that become depleted of funds and do not have additional asset repayments to sustain revolving activities, such that no longer meeting the Department's RLF definition, will be canceled by the Department.
  - 11) RLF PI received and deposited is not allowable for PI GA expenses thus, seventeen percent (17%) cannot be set aside as with Jurisdictions with separate PI accounts.
  - 12) RLFs with no annual revolving activities (i.e., approved loans) are not able to be used by the Jurisdiction for reimbursement of non-revolving costs; therefore, activity delivery (AD) costs are not eligible. **AD costs are only eligible if one or more projects are funded and accomplishment data (i.e., beneficiaries) for those activity(ies), on an annual basis, are reported.**
  - 13) RLF projects must be documented as meeting a National Objective. If a project does not meet a National Objective, then all expenses associated with the project (activity and activity delivery funds) must be repaid to the RLF with non-Federal funds.
  - 14) Given that RLF revenue cannot be "banked" to remain eligible, a RLF must revolve. To meet the definition of revolving, the undersigned Jurisdiction will not have more than \$100,000 on deposit in an RLF within a fiscal year without making at least one loan. Nor will the undersigned Jurisdiction have more than \$500,000 on hand even if making loans each fiscal year.
  - 15) The undersigned Jurisdiction certifies they are aware that the Department will address excess funds and revolving compliance by issuing finding letters to the grantee which could result in the Department cancelling the grantee's RLF, which immediately converts the funds to PI; and, therefore, must be used prior to drawing down grant funds.
  - 16) RLF activity delivery funds (AD) may be used to pay for loan servicing costs.
  - 17) Loan servicing costs under the RLFs are not eligible as PI GA costs, but are eligible AD costs. As such, loan servicing costs are only eligible if one or more loans are made in a fiscal year.
  - 18) Citizens of the Jurisdiction must be the primary beneficiaries of all RLF

Program activities.

- 19) Financial and performance reporting on RLF projects will be done using current CDBG eligible activity Set Up and Completion Report forms, which will collect National Objective data and beneficiary demographics, as HUD required accomplishment information.
- 20) Additional financial reports for RLF PI deposits and expenditures will be done twice a year using the Department's current PI fiscal reporting forms.
- 21) The Jurisdiction will be required to repay the RLF account for ineligible costs or activities with local non-Federal funds.
- 22) Housing RLF Programs will meet the CDBG National Objective of benefit to Low/Moderate-income (Low/Mod) households, per 24 CFR Part 5 and in accordance with the Department's Income Manual.

K. Activity Specific Requirements:

**1) Housing RLF:**

- a. All Housing Rehabilitation and Homeownership Assistance Programs will only fund projects that meet a National Objective and comply with other State and Federal requirements, including Department Management Memorandums and GMM Chapters on Housing Rehabilitation, Multi-Family Rehabilitation (2-4 units) and Homeownership Assistance Activities.
- b. No more than nineteen percent (19%) of funds expended for **Housing Rehabilitation** in the RLF will be used for AD costs on an annual fiscal basis.
- c. No more than eight percent (8%) of funds expended in a fiscal year for **Homeownership Assistance** will be used to reimburse eligible AD costs.
- d. AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.
- e. Projects cannot be provided grants.

**2) ED RLF:**

- a. Both ED Programs will only fund projects that meet a National Objective and comply with other State and Federal requirements, including Department Management Memorandums and GMM Chapters on **ME Loans** and **BA** Activities.
- b. For **ME Loans**, income eligibility must be met per 24 CFR Part 5 and in accordance with the Department's Income Manual. For **BA**, income eligibility is done based on meeting National Objective standard of providing jobs to Low/Mod income persons or area benefit for goods or services.
- c. No more than 15 percent (15%) of the total funds expended for **BA** or **ME Loans** activities shall be used to reimburse Jurisdiction for

eligible activity delivery (AD) costs on an annual fiscal basis.

- d. Annual AD costs are not eligible until one loan is approved, closed and project beneficiary information is submitted.
- e. For **BA**, local review and underwriting of business assistance projects requesting a CDBG loan under this RLF shall be conducted under the BA Program Guidelines that have been adopted by the Governing Body of the undersigned Jurisdiction.
- f. For ME Loans, the CDBG eligible activity of direct financial assistance to eligible microenterprise businesses will be conducted under this RLF. Local review and approval of microenterprise financial assistance projects requesting a CDBG loan under this RLF shall be conducted under the undersigned Jurisdiction's ME Loan Program Guidelines that have been adopted by the Governing Body. **Note:** *This subsection applies to Microenterprise loans only, not ME grants. Financial Assistance that is solely a grant cannot be made through an RLF.*

## 12. **Loan Portfolio and Asset Management Policies and Costs**

- A. The undersigned Jurisdiction certifies that it has asset management policies and loan portfolio servicing policies that are in compliance with HUD standards per 24 CFR Part 570, OMB Circulars A-87, A-122, A-133 and 24 CFR Part 85.
- B. The use of CDBG funds creates public financial assets. The public financial assets created can be in the form of loans or other repayment instruments which result in PI. Financial assets may also be in the form of real property or chattel (equipment and fixtures). All assets created from the use of CDBG funds must be administered in compliance with OMB Circulars A-87, A-122, A-133, 24 CFR Part 85. These policies will be used for managing all CDBG assets, including those which generate PI and RLF PI.
- C. General Administration PI funds may be used to reimburse the Jurisdiction for loan servicing and asset management costs. If the Jurisdiction has no PI GA available, GA funds from active grant contracts may be used to pay for eligible loan servicing costs.

## 13. **Program Income Waivers**

- A. The PI Waiver Submission Process will only be conducted when the undersigned Jurisdiction has no active grant contract(s) with the Department.
- B. The process below will be followed if a PI Waiver is to be requested:
  - 1) All PI Waiver requests will be submitted on approved Departmental forms for the Department's written approval.
  - 2) After the Department's review of the activity for eligibility and National

Objective compliance, the PI Waiver will be formally adopted via public hearing and resolution of the Jurisdiction's Governing Body, as part of the PI Waiver General (and Special Conditions if applicable) Clearance process.

- 3) Expenditure of PI Waiver funds will not commence until clearance of all required General and Special Conditions have been met and written Departmental approval has been issued to the Jurisdiction.
  - 4) Possible Waiver activities will be discussed at a properly noticed public hearing, held in front of the Jurisdiction's Governing Body, prior to submission of a Certified Resolution, as part of a PI Waiver Request to the Department.
  - 5) The PI Waiver request must be submitted in accordance with current Department policy, and any subsequent policy, regulation or statutory guidance.
  - 6) PI Waiver activity reporting will be submitted per current Departmental policies and includes financial accounting of all PI received and expended, including PI Waivers and PI Waiver activity performance.
  - 7) PI Waiver activities must be fully funded with PI already on hand.
  - 8) Only two (2) PI Waivers may be open and active at any one time.
  - 9) RLF funds will not be used for PI Waivers, since RLF monies must be expended on the activity that generated the payments.
  - 10) PI Waivers will not be approved for the same program activities for approved RLFs.
- C. PI GA and PI Waiver financial and performance reporting will be done using current CDBG eligible activity Set Up and Completion Reports forms, which will collect National Objective data and beneficiary demographics for HUD required accomplishment information.
- D. Additional financial reports for PI GA, PI Waivers, PI deposits and expenditures will be done semi-annually using the Department's current PI fiscal reporting forms.
- E. Ineligible costs will be required to be repaid to the PI Account. In some cases with ongoing significant compliance issues, the Department reserves the right to require the jurisdiction return all PI to the Department until it is satisfied that the jurisdiction has resolved all compliance issues.

#### **14. Program Income Not Associated with an RLF**

- A. Provided the undersigned Jurisdiction has made the Department aware at the beginning of the fiscal year they intend to exercise the \$35,000 Rule, PI which is received annually that has a cumulative amount up to \$35,000 (RLF receipts are not included in the \$35,000 Rule calculation) may be "re-categorized" as non-CDBG funds. In electing to exercise the \$35,000 Rule, the Jurisdiction agrees not to expend CDBG revenue until either the fiscal year ends or the amount received goes above \$35,000, at which point the

jurisdiction must consider the revenue as CDBG PI and must use it, first prior to drawing CDBG contract funds.

- B. The undersigned Jurisdiction certifies that it acknowledges, if it has PI on hand and has not applied for or been awarded CDBG funds within the past three NOFAs, the Jurisdiction will be required to submit a PI Expenditure Plan for its PI on hand. The plan must be submitted via the CDBG PI Waiver process. If the Jurisdiction does not initiate the request, the Department will send the Jurisdiction a letter requiring submission of the plan within a set time frame. If the Jurisdiction does not respond to the Department's letter, the Jurisdiction will be required to return all PI on hand to the Department, regardless of the amount of PI.

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## **SECTION THREE: DEPARTMENT TERMS, CONDITIONS AND AUTHORIZATION**

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**TERMS AND CONDITIONS:** The undersigned Jurisdiction certifies that all terms and conditions listed below have been read and understood, and will be implemented and followed:

**1. Authority & Purpose**

This Agreement provides official notification of the Jurisdiction's PI Reuse Agreement's approval under the State's administration of the Federal CDBG for Non-entitlement Jurisdictions pursuant to the provisions of 42 U.S. Code (U.S.C.) 5301 et seq., 24 Code of Federal Regulations (CFR) Part 570, Subpart I, and 25 California Code of Regulations (CCR), Sections 7050 et seq. The Program is listed in the Catalog of Federal Domestic Assistance as 14.228 - Community Development Block Grant Program.

In accepting the PI Reuse Agreement approval, the Jurisdiction agrees to comply with the terms and conditions of this Agreement, all exhibits hereto and the representations contained in the Jurisdiction's PI Reuse Agreement. Any changes made to the PI Reuse Agreement after this Agreement is accepted must receive prior written approval from the Department.

**2. Distribution for Reuse of PI**

A. The Jurisdiction shall perform PI funded activities as described in the Distribution for Reuse in the PI Reuse Agreement. All written materials or alterations submitted as addenda to the original PI Reuse Agreement and which are approved in writing by the Department are hereby incorporated as part of the PI Reuse Agreement.

The Department reserves the right to require the Jurisdiction to modify any or all parts of the PI Reuse Agreement in order to comply with CDBG requirements. The Department reserves the right to review and approve all work to be performed by the Jurisdiction in relation to this Agreement. Any proposed revision to the work must be submitted in writing for review and approval by the Department and may require an amendment to this Agreement. Approval shall not be presumed unless such approval is made in writing by the Department.

B. All PI funded activities must be approved by the Department prior to implementation or incurring activity costs (clear the activity General and any Special Conditions, which include Federal overlays, as posted on Department's webpage). All eligible activities shall principally benefit Low/Mod-income persons or households or businesses residing in the

Jurisdiction. HUD defines Low/Mod as having an annual income that is no more than 80 percent (80%) of the county median area income, adjusted for household size.

**3. Sufficiency of Funds and Termination**

The Department may terminate this Agreement at any time for cause. The Jurisdiction will have at least 14 days upon receipt of the Departments written notice. Termination shall consist of violations of any terms and/or conditions of this Agreement, upon the request of HUD, or withdrawal of the Department's expenditure authority.

The Department reserves the right, for any significant on-going non-compliance with RLF or PI rules, to cancel any RLF and require all RLF and PI funds to be returned to the Department.

**4. Meeting National Objectives**

All activities performed under this Agreement must meet one of the National Objectives determined by the HUD CDBG statutes and regulations. Use the CDBG National Objective Matrix to determine the correct standard for each activity conducted under this Agreement. National Objectives are authorized under Title I of the Housing and Community Development Act of 1974, as amended.

- A. **Benefit to HUD defined Low/Mod-income person or household (LMI).**  
The term Low/Mod-income is defined under CDBG as no more than 80 percent (80%) of the median area income, as determined by HUD, per Federal Regulation 24 CFR, Part 570.483(b); and/or,
- B. **Prevention or elimination of slums or blight** when activity qualifies per Federal Regulation 24 CFR, Part 570.483(c). Jurisdictions may only use this National Objective after submitting a written request to the Department and receiving written authorization; or,
- C. Jurisdictions may use the National Objective of Urgent Need, per Federal Regulation 24 CFR, Part 570.483(d), if a formal written request is made to the Department and the request is authorized in writing.

**5. Inspections of Activities**

- A. The Department reserves the right to inspect any activity(ies) performed hereunder to verify that the activity(ies) is in accordance with the applicable Federal, State and/or local requirements and this Agreement.
- B. The Jurisdiction shall inspect any activity performed by contractors and subrecipients hereunder to ensure that the activity(ies) is in accordance with the applicable Federal, State and/or local requirements and this Agreement.

The Jurisdiction agrees to require that all activity(ies) found by such inspections not to conform to the applicable requirements be corrected, and to withhold payment to its contractor or subcontractor (respectively), or subrecipient, until it is so corrected.

**6. Insurance**

The Jurisdiction shall have and maintain in full force and effect during the term of this Agreement such forms of insurance, at such levels as may be determined by the Jurisdiction and the Department to be necessary for specific components of the activity(ies) described in this Agreement.

**7. Contractors and Subrecipients**

A. The Jurisdiction shall not enter into any agreement, written or oral, with any contractor or subrecipient without the prior determination that the contractor or subrecipient is eligible to receive CDBG funds and is not listed on the Federal Consolidated List of Debarred, Suspended and Ineligible Contractors.

- 1) Contractors are defined as program operators or construction contractors who are procured competitively.
- 2) Subrecipients are defined as public or private non-profit agencies or organizations and certain (limited) private for-profit entities who receive CDBG funds from an awarded Jurisdiction to undertake eligible activities.

B. An agreement between the Jurisdiction and any contractor or subrecipient shall require:

- 1) Compliance with the applicable State and Federal requirements of this Agreement, which pertain to, among other things, labor standards, non-discrimination, Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace; and, Compliance with the applicable provisions relating to Labor Standards/Prevailing Wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
- 2) Maintenance of, at minimum, the State-required Workers' Compensation Insurance for those employees who will perform the activity(ies) or any part of it.
- 3) Maintenance of, if so required by law, unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm or corporation, who may be injured or

damaged by the contractor, or any subcontractor in performing the activity(ies) or any part of it.

- 4) Compliance with the applicable Equal Opportunity Requirements described in this Agreement.

C. Contractors shall:

- 1) Perform the activity(ies) in accordance with Federal, State and local housing and building codes, as are applicable.
- 2) Provide security to assure completion of the project by furnishing the borrower and construction lenders with Performance and Payment Bonds, or other security approved in advance in writing by the Department.

D. Subrecipients shall:

- 1) Retain all books, records, accounts, documentation, and all other materials relevant to this Agreement for a period of five (5) years from date of termination of this Agreement, or five (5) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement, and any amendments, whichever is later.
- 2) Permit the State, Federal government, the Bureau of State Audits, the Department and/or their representatives, upon reasonable notice, unrestricted access to any or all books, records, accounts, documentation and all other materials relevant to the agreement for the purpose of monitoring, auditing or otherwise examining said materials.

**8. Obligations of the Jurisdiction with Respect to Certain Third Party Relationships**

The Jurisdiction shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Activities funded under this Agreement with respect to which assistance is being provided under this Agreement to the Jurisdiction. Jurisdiction is responsible to oversee any third party contractors or subrecipients and monitor their work for CDBG compliance.

The Jurisdiction shall comply with all lawful requirements of the Department necessary to ensure that the Program, with respect to which assistance is being provided under this Agreement to the Jurisdiction, is carried out in accordance with the Department's Assurance and Certifications, including those with respect to the assumption of environmental responsibilities of the Department under Section 104(g) of the Housing and Community Development Act of 1974.



**9. Periodic Reporting Requirements**

During the term of this Agreement, the Jurisdiction must submit the following reports by the dates identified, respectively, or as otherwise required at the discretion of the Department. The Jurisdiction's performance under this Agreement will be based, in part, on whether it has submitted the reports on a timely basis.

- A. Semi-Annual PI Expenditure/Performance Report: Submit by January 31 and July 31 of each year regardless of whether or not the Jurisdiction has any unexpended PI. PI Waivers or open Grants with no accomplishments are not excluded to the reporting requirement.
- B. Annual Federal Overlay Reporting: Submit by July 31 starting from the contract effective date to subsequent June 30, and for each State Fiscal Year. Annual Reporting includes but is not limited to: Section 3 and Minority Owned Business/Women Owned Business (MBE/WBE).
- C. Wage Compliance Reports: Semi-annual Wage Compliance Reports are to be submitted by October 7 and April 7 during the entire construction period. The final Wage Compliance Report is to be submitted thirty (30) days after construction is completed.
- D. Set-Up and Completion Reports for each eligible activity as posted on the Department's webpage.
- E. Any other reports that may be required as a General/Special Condition of this Agreement.

**10. Monitoring Requirements**

The Department shall perform a program and/or fiscal monitoring of the activity(ies). The Jurisdiction shall be required to resolve any monitoring findings to the Department's satisfaction by the deadlines set by the Department. If findings are not adequately resolved in a timely manner, the Department may deduct points from the Jurisdiction's performance score on future applications.

Additionally, the Department reserve the right to suspend a Jurisdiction's authority to expend PI (Waiver, RLF and/or PI attached to an open grant) based on significant compliance issues, reporting concerns or serious lack of cooperation in clearing PI monitoring findings.

**11. Signs**

If the Jurisdiction places signs stating that the Department is providing financing, it shall indicate in a typeface and size commensurate with the Department's funding portion of the project that the Department is a source of financing through the CDBG Program.

**12. Audit/Retention and Inspection of Records**

- A. The Jurisdiction must have intact, auditable fiscal records at all times. If the Jurisdiction is found to have missing audit reports from the Office of the State Controller (SCO) during the term of this Agreement, the Jurisdiction will be required to submit an Agreement to the State, with task deadlines, for submitting the audit to the SCO. If the deadlines are not met, the Jurisdiction will be subject to termination of this Agreement and disencumbrance of the funds awarded. The Jurisdiction's audit completion Agreement is subject to prior review and approval by the Department.
- B. The Jurisdiction agrees that the Department or its designee will have the right to review, obtain and copy all records pertaining to performance of this Agreement. The Jurisdiction agrees to provide the Department or its designee with any relevant information requested and shall permit the Department or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts and other material that may be relevant to a matter under investigation for the purpose of determining compliance with California Public Contract Code (PCC) Section 10115 et seq., Government Code (GC) Section 8546.7 and 2 CCR 1896.60 et seq. The Jurisdiction further agrees to maintain such records for a period of five (5) years after final payment under this Agreement. The Jurisdiction shall comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC 10115.10.
- C. An expenditure which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee by the Jurisdiction.
- D. Absent fraud or mistake on the part of the Department, the determination by the Department of allowable expenditures shall be final.
- E. For the purposes of annual audits under OMB Circular A-133 (The United States Office of Management and Budget Circular for Audits of States and Local Governments), Jurisdiction shall use the Federal Catalog Number 14.228 for the State CDBG Program.
- F. Notwithstanding the foregoing, the Department will not reimburse the Jurisdiction for any audit cost incurred after the expenditure deadline of this Agreement.
- G. The Jurisdiction understands that the expenditure of PI is covered under the OMB A-133 Single Audit Requirements and will meet all these requirements and report said PI Expenditure along with grant funds each fiscal year.

**13. Conflict of Interest of Members, Officers, or Employees of Contractors, Members of Local Governing Body, or other Public Officials**

Pursuant to 24 CFR 570.611, no member, officer, or employee of the Jurisdiction, or its designees or agents, no member of the Governing Body of the locality in which the program is situated, and no other public official of such locality or localities who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a CDBG-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. The Jurisdiction shall incorporate, or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

**14. Waivers**

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Department to enforce at any time the provisions of this Agreement or to require at any time performance by the Jurisdiction of these provisions shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Department to enforce these provisions.

**15. Litigation**

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent Jurisdiction, such invalidity, at the sole discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are, and shall be, deemed severable.
- B. The Jurisdiction shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Department.

**16. Lead-Based Paint Hazards**

Activity(ies) performed with assistance provided under this Agreement are subject to lead-based paint hazard regulations contained in Title 8 (Industrial Relations) and Title 17 (Public Health) of the CCR and 24 CFR, Part 35 (Lead Disclosure). Any grants or loans made by the Jurisdiction with assistance provided under this Agreement shall be made subject to the provisions for the

elimination or mitigation of lead-based paint hazards under these Regulations. The Jurisdiction shall be responsible for the notifications, inspections and clearance certifications required under these Regulations.

**17. Prevailing Wages**

- A. Where funds provided through this Agreement are used for construction work, or in support of construction work, the Jurisdiction shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) are met.
- B. For the purposes of this requirement “construction work” includes, but is not limited to rehabilitation, alteration, demolition, installation or repair done under contract and paid for, in whole or in part, through this Agreement. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the “construction contract”). Where the construction contract will be between the Jurisdiction and a licensed building contractor, the Jurisdiction shall serve as the “awarding body” as that term is defined in the LC. Where the Jurisdiction will provide funds to a third party that will enter into the construction contract with a licensed building contractor, the third party shall serve as the “awarding body.” Prior to any disbursement of funds, including but not limited to release of any final retention payment, the Department may require a certification from the awarding body that prevailing wages have been or will be paid.

**18. Compliance with State and Federal Laws and Regulations**

- A. The Jurisdiction agrees to comply with all State laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity and all other matters applicable to the Jurisdiction, its subcontractors, contractors or subcontractors, and the Reuse activity(ies), and any other State provisions as set forth in this Agreement.
- B. The Jurisdiction agrees to comply with all Federal laws and regulations applicable to the CDBG Program and to the activity(ies), and with any other Federal provisions as set forth in this Agreement.

**19. Anti-Lobbying Certification**

The Jurisdiction shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this activity(ies) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this

certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement; and,
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

**20. Bonus or Commission, Prohibition Against Payments of**

The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purpose of:

- A. Obtaining the Department's approval of the Application for such assistance; or,
- B. The Department's approval of the Applications for additional assistance; or,
- C. Any other approval or concurrence of the Department required under this Agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto; provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

**21. Citizen Participation**

The Jurisdiction is subject to the requirements concerning citizen participation contained in Federal Regulations at 24 CFR, Part 570.486, Local Government Requirements, Part 91.105 and 91.115.

**22. Clean Air and Water Acts**

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR, Part 15, as amended from time to time.

**23. Conflict of Interest of Certain Federal Officials**

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. The Jurisdiction shall report all perceived or actual conflicts of interest cases to the State for review before financial benefits are given.

**24. Environmental Requirements**

The Jurisdiction shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR, Part 58. The Jurisdiction shall not undertake any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives under 24 CFR, Part 58.22 until HUD or the Department has issued an environmental clearance.

**25. Equal Opportunity**

**A. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances**

During the performance of this Agreement, the Jurisdiction assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status or religious preference, under any activity funded by this Agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

**B. Rehabilitation Act of 1973 and the "504 Coordinator"**

The Jurisdiction further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR, Part 8, including, but not limited to, for Jurisdiction's with fifteen (15) or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

**C. The Training, Employment, and Contracting Opportunities for Business and Lower-Income Persons Assurance of Compliance**

- 1) The activity(ies) to be performed under this Agreement are subject to the requirements of Section 3 of the HUD Act of 1968, as amended, 12 U.S.C. 1701(u). Recipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in 24 CFR, Part 135.34(a)(2).
- 2) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Jurisdiction will include these Section 3 clauses in every contract and subcontract for Work in connection with the activity(ies) and will, at the direction of the Department, take appropriate action pursuant to the contract or subcontract upon a finding that the Jurisdiction or any contractor or subcontractor is in violation of regulations issued by the Secretary of HUD, 24 CFR, Part 135 and will not let any contract unless the Jurisdiction or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- 4) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Agreement, shall be a condition of the Federal financial assistance provided to the activity(ies), binding upon the Jurisdiction, its successors and assigns. Failure to fulfill these requirements shall subject the Jurisdiction, its contractors and subcontractors and its successors to such sanctions as are specified by 24 CFR, Part 135 and those sanctions specified by this Agreement.

D. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or More

The Jurisdiction hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, and the Construction Contract Specifications. The Jurisdiction furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

**26. Flood Disaster Protection**

- A. This Agreement is subject to the requirements of the Flood Disaster Protection Act (FDPA) of 1973 (Public Law 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under FDPA, Section 3 (a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the National Flood Insurance Program pursuant to FDPA, Section 102(d) of said Act.
- B. The use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of FDPA, Section 102(a) of said Act.
- C. Any contract or agreement for the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain certain provisions. These provisions will apply if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq.
- D. These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under FDPA, Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

**27. Federal Labor Standards Provisions**

The Jurisdiction shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

- A. Davis-Bacon Act (40 U.S.C. 3141-3148) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of Federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.
- B. "Anti-Kickback Act of 1986" (41 U.S.C. 51-58) prohibits any person from (1) providing, attempting to provide or offering to provide any kickback; (2) soliciting, accepting or attempting to accept any kickback; or, (3) including directly or indirectly, the amount of any kickback prohibited by

clause (1) or (2) in the contract price charged by a subcontractor to a prime contractor or a higher tier subcontractor or in the contract price charged by a prime contractor to the United States.

- C. Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. 3702) requires that workers receive "overtime" compensation at a rate of one to one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.
- D. Title 29, Code of Federal Regulations CFR, Subtitle A, Parts I, 3 and 5) are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The Jurisdiction shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Department for review upon request.

**28. Procurement**

The Jurisdiction shall comply with the procurement provisions in 24 CFR, Part 85.36: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

**29. Non-Performance**

The Department shall review the actual National Objective and/or Public Benefit achievements of the Jurisdiction. In the event that the National Objective and/or Public Benefit requirements are not met, the Department will require the recapture of the entire PI expended on that project/activity. Additional remedies may include suspending the Jurisdiction's authority to use PI funds until the Jurisdiction has developed capacity to ensure future PI funds will be used for eligible activities that will meet a National Objective.

**30. Relocation, Displacement, and Acquisition**

The provisions of the Uniform Relocation Act, as amended, 49 CFR, Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Jurisdiction and assisted in whole or in part by funds allocated by CDBG.

**31. Uniform Administrative Requirements**

The Jurisdiction shall comply with applicable Uniform Administrative Requirements as described in 24 CFR, Section 570.502, including cited Sections of 24 CFR, Part 85.

**32. Section 3**

The Jurisdiction will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing Regulations at 24 CFR, Part 135.

**33. Affirmatively Furthering Fair Housing**

The Jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

**34. General and Special Conditions for Activities**

Each eligible activity to be administered and paid for with PI under this agreement must be approved in writing by the Department. After receiving written approval, the Jurisdiction will submit all required documents listed on the Department's General Conditions Checklist for the approved activity. Upon completion of the General Conditions Checklist, the Department will provide written authorization to proceed with implementing the approved activity.

The above is applicable to RLFs, Waivers and Supplemental Activities.

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## SECTION TWO: CERTIFICATION FOR USE OF PROGRAM INCOME

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☐ Certified Approving Resolution Is Attached

*I certify that the foregoing is true and correct, and will follow all requirements of this Agreement and all Sections above. I understand that my certification also acknowledges that serious compliance issue with the above requirements could result in the State suspending the \_\_\_\_\_ authority to expend PI; or may require the \_\_\_\_\_ to return unused PI to the State until the \_\_\_\_\_ clears the serious compliance issues.*

\_\_\_\_\_  
Signature of Jurisdiction Authorized Representative

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Name and Title of Jurisdiction Authorized Representative

\_\_\_\_\_  
Signature of CDBG Section Chief

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Name of CDBG Section Chief