

SERVICE AGREEMENT

This Service Agreement ("Agreement") is dated June 24, 2025 and is between Avertest LLC, dba Averhealth, a Virginia limited liability company, whose address is 2400 Old Brick Rd Suite 142, Glen Allen, VA 23060 ("Contractor") and the County of Fresno, a political subdivision of the State of California ("County").

Recitals

A. County desires to enter into an agreement with the Contractor for the purpose of providing a random drug testing program for families involved with Department of Social Services' (DSS) Child Welfare System (CWS) and individuals involved in the Department of Probation (Probation). Contractor shall perform all services and fulfill all responsibilities set forth in Exhibit A, Summary of Services, attached hereto and by this reference incorporated herein.

B. County issued Request for Proposal (RFP) No. 25-044 for Random Drug Testing Services, dated March 6, 2025 and Addendum No. One (1), dated March 13, 2025 hereinafter collectively referred to as County's RFP 25-044. Contractor responded to County RFP 25-044 and was selected to provide services in accordance with the RFP and Contractor's response.

C. In the event of any inconsistency among the documents described under "Recitals" Paragraph A. and B. herein above, the inconsistency shall be resolved by giving precedence in the following order of priority: 1) to this Agreement, including all Exhibits attached hereto; 2) to County's RFP 25-044; and 3) to Contractor's response to RFP. A copy of County's RFP 25-044 and Contractor's response shall be retained and made available during the term of this Agreement by DSS.

The parties therefore agree as follows:

Article 1

Contractor's Services

1.1 **Scope of Services.** The Contractor shall perform all of the services provided in Exhibit A to this Agreement, titled "Scope of Services," and pursuant to the staffing patterns and program expenses detailed in Exhibit B, titled "Random Drug Testing Services Pricing Summary."

1.2 **Representation.** The Contractor represents that it is qualified, ready, willing, and able to perform all of the services provided in this Agreement.

1.3 **Compliance with Laws.** The Contractor shall, at its own cost, comply with all applicable federal, state, and local laws and regulations in the performance of its obligations under this Agreement, including but not limited to workers compensation, labor, and confidentiality laws and regulations.

Article 2

County's Responsibilities

2.1 The County shall meet all obligations provided in Exhibit A to this Agreement, titled "Scope of Services."

Article 3

Compensation, Invoices, and Payments

3.1 The County agrees to pay, and the Contractor agrees to receive, compensation for the performance of its services under this Agreement as described in Exhibit B to this Agreement, titled "Random Drug Testing Services Pricing Summary."

3.2 The services provided by the Contractor under this Agreement are funded in whole or in part by the State of California and/or the United States Federal government. In the event that funding for these services is delayed by the State Controller or the Federal government, the County may defer payment to the Contractor. The amount of the deferred payment shall not exceed the amount of funding delayed to the County. The period of time of the deferral by the County shall not exceed the period of time of the State Controller's or Federal government's delay of payment to County plus forty-five (45) days.

3.3 **Maximum Compensation.** The maximum compensation payable to the Contractor for services performed under this Agreement in no event shall be in excess of two million one hundred fifty eight thousand nine hundred twenty eight dollars (\$2,158,928) with one million five hundred seventy six thousand nine hundred one dollars(\$1,576,901) allocated to DSS and five hundred twenty eight thousand twenty seven dollars (\$528,027) allocated to Probation during the term of this Agreement. For the period of July 1, 2025 through June 30, 2026, in no event

1 shall compensation paid for services performed under this agreement exceed four hundred five
2 thousand three hundred thirty two dollars (\$405,332) with three hundred thousand dollars
3 (\$300,000) allocated to DSS and one hundred five thousand three hundred thirty two dollars
4 (\$105,332) allocated to Probation. For the period of July 1, 2026 through June 30, 2027, in no
5 event shall compensation paid for the services performed under this Agreement exceed four
6 hundred eighteen thousand ninety nine dollars (\$418,099) with three hundred seven thousand
7 five hundred dollars (\$307,500) allocated to DSS and one hundred ten thousand five hundred
8 ninety nine dollars (\$110,599) allocated to Probation. For the period of July 1, 2027 through
9 June 30, 2028, in no event shall compensation for these services performed under this
10 Agreement exceed four hundred thirty one thousand three hundred seventeen dollars
11 (\$431,317) with three hundred fifteen thousand one hundred eighty eight dollars (\$315,188)
12 allocated to DSS and one hundred sixteen thousand one hundred twenty nine dollars
13 (\$116,129) allocated to Probation. For the optional twelve (12) month extension for the period of
14 July 1, 2028 through June 30, 2029, in no event shall compensation paid for services performed
15 under this Agreement exceed four hundred forty five thousand and three dollars (\$445,003) with
16 three hundred twenty three thousand sixty eight dollars (\$323,068) allocated to DSS and one
17 hundred twenty one thousand nine hundred thirty five dollars (\$121,935) allocated to Probation.
18 For the optional twelve (12) month extension for the period of July 1, 2029 through June 30,
19 2030, in no event shall compensation paid for services performed under this Agreement exceed
20 four hundred fifty nine thousand one hundred seventy seven dollars (\$459,177) with three
21 hundred thirty one thousand one hundred forty five dollars (\$331,145) allocated to DSS and one
22 hundred twenty eight thousand thirty two dollars (\$128,032) allocated to Probation.

23 3.4 The Contractor acknowledges that the County is a local government entity, and does
24 so with notice that the County's powers are limited by the California Constitution and by State
25 law, and with notice that the Contractor may receive compensation under this Agreement only
26 for services performed according to the terms of this Agreement and while this Agreement is in
27 effect, and subject to the maximum amount payable under this section. The Contractor further
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acknowledges that County employees have no authority to pay the Contractor except as expressly provided in this Agreement.

3.5 **Invoices.** Contractor shall invoice County's DSS and Probation Department in arrears by the tenth (10th) of each month for actual expenses incurred and services rendered in the previous month. Contractor shall submit monthly invoices to DSS in attention to Staff Analyst to: DSSInvoices@fresnocountyca.gov. Probation invoices shall be sent either by mail to the Business Office, 3333 E. American Avenue, Bldg. 701, Suite B, Fresno, CA 93725, or electronically to: ProbationInvoices@fresnocountyca.gov and ProbationContracts@fresnocountyca.gov. The Contractor shall submit each invoice within 30 days following the month in which expenses were incurred and services rendered, and in any case within 60 days after the end of the term or termination of this Agreement. Supporting documentation shall include but is not limited to receipts, invoices received, and documented administrative / overhead costs. No reimbursement for services shall be made until invoices, reports and outcomes are received, reviewed and approved by County's DSS and Probation. Proof of payment may be required for certain funding streams and will be made available by the Contractor as requested by the County.

3.6 **Payment.** The County shall pay each correctly completed and timely submitted invoice within 45 days after receipt. If an invoice is incorrect or otherwise not in proper form or detail, County's DSS Director or Probation Chief or their respective designees shall have the right to withhold payment as to only that portion of the invoices that is incorrect or improper, after five (5) days prior written notice or email correspondence to Contractor. The County shall remit any payment to the Contractor's address specified in the invoice.

3.7 **Incidental Expenses.** The Contractor is solely responsible for all of its costs and expenses that are not specified as payable by the County under this Agreement.

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1 **Article 4**

2 **Term of Agreement**

3 4.1 **Term.** This Agreement is effective on July 1, 2025 and terminates on June 30, 2028,
4 except as provided in section 4.2, "Extension," or Article 6, "Termination and Suspension,"
5 below.

6 4.2 **Extension.** The term of this Agreement may be extended for no more than two, one-
7 year periods only upon written approval of both parties at least 30 days before the first day of
8 the next one-year extension period. The County's DSS Director or his or her designee is
9 authorized to sign the written approval on behalf of the County based on the Contractor's
10 satisfactory performance. The extension of this Agreement by the County is not a waiver or
11 compromise of any default or breach of this Agreement by the Contractor existing at the time of
12 the extension whether or not known to the County.

13 **Article 5**

14 **Notices**

15 5.1 **Contact Information.** The persons and their addresses having authority to give and
16 receive notices provided for or permitted under this Agreement include the following:

17 **For the County:**

18 Director of Department of Social Services
19 County of Fresno
20 PO Box 1912
21 Fresno, CA 93718-1912

22 Chief Probation Officer
23 County of Fresno
24 3333 E. American Ave., Bldg. 707, Suite B
25 Fresno, CA 93725

26 **For the Contractor:**

27 Chief Executive Officer
28 2400 Old Brick Rd Suite 142
Glen Allen, VA 23060

5.2 **Change of Contact Information.** Either party may change the information in section
5.1 by giving notice as provided in section 5.3.

5.3 **Method of Delivery.** Each notice between the County and the Contractor provided for or permitted under this Agreement must be in writing, state that it is a notice provided under this Agreement, and be delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, by telephonic facsimile transmission, or by a Portable Document Format (PDF) document attached to an email.

(A) A notice delivered by personal service is effective upon service to the recipient.

(B) A notice delivered by first-class United States mail is effective three County business days after deposit in the United States mail, postage prepaid, addressed to the recipient.

(C) A notice delivered by an overnight commercial courier service is effective one County business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient.

(D) A notice delivered by telephonic facsimile transmission or by PDF document attached to an email is effective when transmission to the recipient is completed (but, if such transmission is completed outside of County business hours, then such delivery is deemed to be effective at the next beginning of a County business day), provided that the sender maintains a machine record of the completed transmission.

5.4 **Claims Presentation.** For all claims arising from or related to this Agreement, nothing in this Agreement establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

Article 6

Termination and Suspension

6.1 **Termination for Non-Allocation of Funds.** The terms of this Agreement are contingent on the approval of funds by the appropriating government agency. If sufficient funds are not allocated, then the County, upon at least 30 days' advance written notice to the Contractor, may:

1 (A) Modify the services provided by the Contractor under this Agreement; or

2 (B) Terminate this Agreement.

3 **6.2 Termination for Breach.**

4 (A) Upon determining that a breach (as defined in paragraph (C) below) has
5 occurred, the County may give written notice of the breach to the Contractor. The written
6 notice may suspend performance under this Agreement, and must provide at least 30
7 days for the Contractor to cure the breach.

8 (B) If the Contractor fails to cure the breach to the County's satisfaction within the
9 time stated in the written notice, the County may terminate this Agreement immediately.

10 (C) For purposes of this section, a breach occurs when, in the determination of the
11 County, the Contractor has:

12 (1) Obtained or used funds illegally or improperly;

13 (2) Failed to comply with any part of this Agreement;

14 (3) Submitted a substantially incorrect or incomplete report to the County; or

15 (4) Improperly performed any of its obligations under this Agreement.

16 **6.3 Termination without Cause.** In circumstances other than those set forth above, the
17 County or Contractor may terminate this Agreement by giving at least 30 days advance written
18 notice to the Contractor.

19 **6.4 No Penalty or Further Obligation.** Any termination of this Agreement by the County
20 under this Article 6 is without penalty to or further obligation of the County.

21 **6.5 County's Rights upon Termination.** Upon termination for breach under this Article
22 6, the County may demand repayment by the Contractor of any monies disbursed to the
23 Contractor under this Agreement that, in the County's sole judgment, were not expended in
24 compliance with this Agreement. The Contractor shall promptly refund all such monies upon
25 demand. This section survives the termination of this Agreement.

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1 **Article 7**

2 **Independent Contractor**

3 7.1 **Status.** In performing under this Agreement, the Contractor, including its officers,
4 agents, employees, and volunteers, is at all times acting and performing as an independent
5 Contractor, in an independent capacity, and not as an officer, agent, servant, employee, joint
6 venturer, partner, or associate of the County.

7 7.2 **Verifying Performance.** The County has no right to control, supervise, or direct the
8 manner or method of the Contractor's performance under this Agreement, but the County may
9 verify that the Contractor is performing according to the terms of this Agreement.

10 7.3 **Benefits.** Because of its status as an independent Contractor, the Contractor has no
11 right to employment rights or benefits available to County employees. The Contractor is solely
12 responsible for providing to its own employees all employee benefits required by law. The
13 Contractor shall save the County harmless from all matters relating to the payment of
14 Contractor's employees, including compliance with Social Security withholding and all related
15 regulations.

16 7.4 **Services to Others.** The parties acknowledge that, during the term of this
17 Agreement, the Contractor may provide services to others unrelated to the County.

18 **Article 8**

19 **Indemnity and Defense**

20 8.1 **Indemnity.** The Contractor shall indemnify and hold harmless and defend the
21 County (including its officers, agents, employees, and volunteers) against all claims, demands,
22 injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and
23 liabilities of any kind to the County, the Contractor, or any third party that arise from or relate to
24 the performance or failure to perform by the Contractor (or any of its officers, agents,
25 subcontractors, or employees) under this Agreement. The County may conduct or participate in
26 its own defense without affecting the Contractor's obligation to indemnify and hold harmless or
27 defend the County.

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1 County shall indemnify and hold harmless and defend the Contractor (including its
2 officers, agents, employees, and volunteers) against all claims, demands, injuries, damages,
3 costs, expenses (including attorney fees and costs), fines, penalties, and liabilities of any kind to
4 the Contractor, Subrecipient, or any third party that arise from or relate to the performance or
5 failure to perform by County (or any of its officers, agents, subcontractors, or employees) under
6 this Agreement. The Contractor may conduct or participate in its own defense without affecting
7 the County's obligation to indemnify and hold harmless or defend the Contractor.

8 8.2 **Survival.** This Article 8 survives the termination of this Agreement.

9 **Article 9**

10 **Insurance**

11 9.1 The Contractor shall comply with all the insurance requirements in Exhibit C to this
12 Agreement.

13 **Article 10**

14 **Inspections, Audits, Record Maintenance, and Public Records**

15 10.1 **Inspection of Documents.** The Contractor shall make available to the County, and
16 the County may examine at any time during business hours and as often as the County deems
17 necessary, all of the Contractor's records and data with respect to the matters covered by this
18 Agreement, excluding attorney-client privileged communications. The Contractor shall, upon
19 request by the County, permit the County to audit and inspect all of such records and data to
20 ensure the Contractor's compliance with the terms of this Agreement.

21 10.2 **State Audit Requirements.** If the compensation to be paid by the County under this
22 Agreement exceeds \$10,000, the Contractor is subject to the examination and audit of the
23 California State Auditor, as provided in Government Code section 8546.7, for a period of three
24 years after final payment under this Agreement. This section survives the termination of this
25 Agreement.

26 10.3 **Single Audit Clause.** If Contractor expends Seven Hundred Fifty Thousand Dollars
27 (\$750,000) or more in Federal and Federal flow-through monies annually, Contractor agrees to
28 conduct an annual audit in accordance with the requirements of the Single Audit Standards as

1 set forth in Office of Management and Budget (OMB) Title 2 of the Code of Federal Regulations
2 Part 200. Contractor shall submit said audit and management letter to County. The audit must
3 include a statement of findings or a statement that there were no findings. If there were negative
4 findings, Contractor must include a corrective action signed by an authorized individual.
5 Contractor agrees to take action to correct any material non-compliance or weakness found as
6 a result of such audit. Such audit shall be delivered to County's DSS, Administration, for review
7 within nine (9) months of the end of any fiscal year in which funds were expended and/or
8 received for the program. Failure to perform the requisite audit functions as required by this
9 Agreement may result in County performing the necessary audit tasks, or at County's option,
10 contracting with a public accountant to perform said audit, or, may result in the inability of
11 County to enter into future agreements with Contractor. All audit costs related to this Agreement
12 are the sole responsibility of Contractor.

13 **10.4 Program Audit Requirements.** A single audit report is not applicable if all
14 Contractor's Federal contracts do not exceed the Seven Hundred Fifty Thousand Dollars
15 (\$750,000) requirement or Contractor's funding is through Drug related Medi-Cal. If a single
16 audit is not applicable, a program audit must be performed and a program audit report with
17 management letter shall be submitted by Contractor to County as a minimum requirement to
18 attest to Contractor's solvency. Said audit report shall be delivered to County's DSS,
19 Administration, for review no later than nine (9) months after the close of the fiscal year in which
20 the funds supplied through this Agreement are expended. Failure to comply with this Act may
21 result in County performing the necessary audit tasks or contracting with a qualified accountant
22 to perform said audit. All audit costs related to this Agreement are the sole responsibility of
23 Contractor who agrees to take corrective action to eliminate any material noncompliance or
24 weakness found as a result of such audit. Audit work performed by County under this paragraph
25 shall be billed to the Contractor at County cost, as determined by County's Auditor-
26 Controller/Treasurer-Tax Collector.

27 **10.5 Record Establishment and Maintenance.** Contractor shall establish and maintain
28 records in accordance with those requirements prescribed by County, with respect to all matters

covered by this Agreement. Contractor shall retain all fiscal books, account records and client files for services performed under this Agreement for at least five (5) years from date of final payment under this Agreement or until all State and Federal audits are completed for that fiscal year, whichever is later.

(A) Cost Documentation. Contractor agrees to maintain records to verify costs under this Agreement including a General Ledger, properly executed payrolls, time records, invoices, vouchers, orders, proof of payment, and any other accounting documents pertaining in whole or in part to this Agreement and they shall be clearly identified and readily accessible. The support documentation must indicate the line budget account number to which the cost is charged.

(B) Service Documentation. Contractor agrees to maintain records to verify services under this Agreement including names and addresses of clients served, if applicable, and the dates of service and a description of services provided on each occasion. These records and any other documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

(C) County shall notify Contractor in writing within thirty (30) days of any potential State or Federal audit exception discovered during an examination. Where findings indicate that program requirements are not being met and State or Federal participation in this program may be imperiled in the event that corrections are not accomplished by Contractor within thirty (30) days of receipt of such notice from County, written notification thereof shall constitute County's intent to terminate this Agreement.

10.6 Public Records. The County is not limited in any manner with respect to its public disclosure of this Agreement or any record or data that the Contractor may provide to the County. The County's public disclosure of this Agreement or any record or data that the Contractor may provide to the County may include but is not limited to the following:

(A) The County may voluntarily, or upon request by any member of the public or governmental agency, disclose this Agreement to the public or such governmental agency.

1 (B) The County may voluntarily, or upon request by any member of the public or
2 governmental agency, disclose to the public or such governmental agency any record or
3 data that the Contractor may provide to the County, unless such disclosure is prohibited
4 by court order.

5 (C) This Agreement, and any record or data that the Contractor may provide to the
6 County, is subject to public disclosure under the Ralph M. Brown Act (California
7 Government Code, Title 5, Division 2, Part 1, Chapter 9, beginning with section 54950).

8 (D) This Agreement, and any record or data that the Contractor may provide to the
9 County, is subject to public disclosure as a public record under the California Public
10 Records Act (California Government Code, Title 1, Division 7, Chapter 3.5, beginning
11 with section 6250) ("CPRA").

12 (E) This Agreement, and any record or data that the Contractor may provide to the
13 County, is subject to public disclosure as information concerning the conduct of the
14 people's business of the State of California under California Constitution, Article 1,
15 section 3, subdivision (b).

16 (F) Any marking of confidentiality or restricted access upon or otherwise made with
17 respect to any record or data that the Contractor may provide to the County shall be
18 disregarded and have no effect on the County's right or duty to disclose to the public or
19 governmental agency any such record or data.

20 (G) Notwithstanding sections A-F above, any information protected by law shall not
21 be subject to public disclosure.

22 **10.7 Public Records Act Requests.** If the County receives a written or oral request
23 under the CPRA to publicly disclose any record that is in the Contractor's possession or control,
24 and which the County has a right, under any provision of this Agreement or applicable law, to
25 possess or control, then the County may demand, in writing, that the Contractor deliver to the
26 County, for purposes of public disclosure, the requested records that may be in the possession
27 or control of the Contractor. Within five business days after the County's demand, the
28 Contractor shall (a) deliver to the County all of the requested records that are in the Contractor's

possession or control, together with a written statement that the Contractor, after conducting a diligent search, has produced all requested records that are in the Contractor's possession or control, or (b) provide to the County a written statement that the Contractor, after conducting a diligent search, does not possess or control any of the requested records. The Contractor shall cooperate with the County with respect to any County demand for such records. If the Contractor wishes to assert that any specific record or data is exempt from disclosure under the CPRA or other applicable law, it must deliver the record or data to the County and assert the exemption by citation to specific legal authority within the written statement that it provides to the County under this section. The Contractor's assertion of any exemption from disclosure is not binding on the County, but the County will give at least 10 days' advance written notice to the Contractor before disclosing any record subject to the Contractor's assertion of exemption from disclosure. The Contractor shall indemnify the County for any court-ordered award of costs or attorney's fees under the CPRA that results from the Contractor's delay, claim of exemption, failure to produce any such records, or failure to cooperate with the County with respect to any County demand for any such records.

Article 11

Disclosure of Self-Dealing Transactions and Conflict of Interest

11.1 Applicability. This Article 11 applies if the Contractor is operating as a corporation, or changes its status to operate as a corporation.

11.2 Duty to Disclose. If any member of the Contractor's board of directors is party to a self-dealing transaction, he or she shall disclose the transaction by completing and signing a "Self-Dealing Transaction Disclosure Form" (Exhibit D to this Agreement) and submitting it to the County before commencing the transaction or immediately after.

11.3 Definition. "Self-dealing transaction" means a transaction to which the Contractor is a party and in which one or more of its directors, as an individual, has a material financial interest.

11.4 Conflict of Interest. No officer, employee or agent of the County who exercises any function or responsibility for planning and carrying out of the services provided under this

1 Agreement shall have any direct or indirect personal financial interest in this Agreement. In
2 addition, no employee of the County shall be employed by the Contractor under this Agreement
3 to fulfill any contractual obligations with the County. The Contractor shall comply with all
4 Federal, State of California and local conflict of interest laws, statutes and regulations, which
5 shall be applicable to all parties and beneficiaries under this Agreement and any officer,
6 employee or agent of the County.

7 **Article 12**

8 **Medi-Cal Confidentiality OR Confidentiality and Data Security**

9 12.1 All services performed by Contractor under this Agreement shall be in strict
10 conformance with all applicable Federal, State of California and/or local laws and regulations
11 relating to confidentiality. For the purpose of preventing the potential loss, misappropriation or
12 inadvertent disclosure of County data including sensitive or personal client information; abuse of
13 County resources; and/or disruption to County operations, individuals and/or agencies that enter
14 into a contractual relationship with County for the purpose of providing services under this
15 Agreement must employ adequate data security measures to protect the confidential
16 information provided to Contractor by County, including but not limited to the following:

17 (A) Contractor-Owned Mobile/Wireless/Handheld Devices may not be connected to
18 County networks via personally owned mobile, wireless or handheld devices, except
19 when authorized by County for telecommuting and then only if virus protection software
20 currency agreements are in place, and if a secure connection is used.

21 (B) Contractor-Owned Computers or Computer Peripherals may not be brought into
22 County for use, including and not limited to mobile storage devices, without prior
23 authorization from County's Chief Information Officer or their designee. Data must be
24 stored on a secure server approved by County and transferred by means of a VPN
25 (Virtual Private Network) connection, or another type of secure connection of this type if
26 any data is approved to be transferred.

27 (C) County-Owned Computer Equipment – Contractor or anyone having an
28 employment relationship with County may not use County computers or computer

peripherals on non-County premises without prior authorization from County's Chief Information Officer or their designee.

(D) Contractor may not store County's private, confidential or sensitive data on any hard-disk drive.

(E) Contractor is responsible to employ strict controls to ensure the integrity and security of County's confidential information and to prevent unauthorized access to data maintained in computer files, program documentation, data processing systems, data files and data processing equipment which stores or processes County data internally and externally.

(F) Confidential client information transmitted to one party by the other by means of electronic transmissions must be encrypted according to Advanced Encryption Standards (AES) of 128 BIT or higher. Additionally, a password or pass phrase must be utilized.

(G) Contractor is responsible to immediately notify County of any breaches or potential breaches of security related to County's confidential information, data maintained in computer files, program documentation, data processing systems, data files and data processing equipment which stores or processes County data internally or externally.

(H) Contractor shall require its subcontractors to comply with the provisions of this Data Security section.

Article 13

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion- Lower Tier Covered Transactions.

13.1 County and Contractor recognize that Contractor is a recipient of State or Federal assistance funds under the terms of this Agreement. By signing this Agreement, Contractor agrees to comply with applicable Federal suspension and debarment regulations, including but not limited to: 7 CFR 3016.35, 29 CFR 97.35, 45 CFR 92.35, and Executive Order 12549. By

1 signing this Agreement, Contractor attests to the best of its knowledge and belief, that it and its
2 principals:

3 (A) Are not presently debarred, suspended, proposed for debarment, declared
4 ineligible, or voluntarily excluded from participation in this transaction by any Federal
5 department or agency; and

6 (B) Shall not knowingly enter into any lower tier covered transaction with an entity or
7 person who is debarred, suspended, proposed for debarment, declared ineligible, or
8 voluntarily excluded from participation in this transaction by any Federal department or
9 agency.

10 (C) Contractor shall provide immediate written notice to County if at any time during
11 the term of this Agreement Contractor learns that the representations it makes above
12 were erroneous when made or have become erroneous by reason of changed
13 circumstances.

14 13.2 Contractor shall include a clause titled "Certification Regarding Debarment,
15 Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions" and
16 similar in nature to this Article Thirteen (13) in all lower tier covered transactions and in all
17 solicitations for lower tier covered transactions.

18 13.3 Contractor shall, prior to soliciting or purchasing goods and services in excess of
19 \$25,000 funded by this Agreement, review and retain the proposed vendor's suspension and
20 debarment status at <https://sam.gov/SAM/>.

21 13.4 The certification in Article Thirteen (13) of this Agreement is a material representation
22 of fact upon which County relied in entering into this Agreement.

23 **Article 14**

24 **General Terms**

25 14.1 **Modification.** Except as provided in Article 6, "Termination and Suspension," this
26 Agreement may not be modified, and no waiver is effective, except by written consent by both
27 parties. The Contractor acknowledges that County employees have no authority to modify this
28 Agreement except as expressly provided in this Agreement.

1 (A) .

2 Contractor agrees that reductions to the maximum compensation set forth under
3 Article Three (3) of this Agreement may be necessitated by a reduction in funding
4 from State or Federal sources. Any such reduction to the maximum compensation
5 may be made with the written approval of County's DSS Director or Probation Chief
6 or their respective designee and Contractor. Contractor further understands that this
7 Agreement is subject to any restriction, limitations, or enactments of all legislative
8 bodies which affect the provisions, term, or funding of this Agreement in any manner.
9 If the parties do not provide written approval for modification due to reduced funding,
10 this Agreement may be terminated in accordance with Section 6.1 above.

11 14.2 **Contractor's Name Change.** An amendment, assignment, or new agreement is
12 required to change the name of Contractor as listed on this Agreement and subject to County
13 approval. Upon receipt of legal documentation of the name change, County will process the
14 agreement. Payment of invoices presented with a new name cannot be paid prior to approval of
15 said agreement.

16 14.3 **Public Information.** Contractor shall disclose County as a funding source in all
17 public information and program materials developed in support of contracted services.

18 14.4 **Non-Assignment.** Neither party may assign its rights or delegate its obligations
19 under this Agreement without the prior written consent of the other party. Any transferee,
20 assignee or subcontractor will be subject to all applicable provisions of this Agreement, and all
21 applicable State and Federal regulations. Contractor shall be held primarily responsible by
22 County for the performance of any transferee, assignee or subcontractor unless otherwise
23 expressly agreed to in writing by County. The use of subcontractor by Contractor shall not
24 entitle Contractor to any additional compensation than provided for under this Agreement.

25 14.5 **Governing Law.** The laws of the State of California govern all matters arising from
26 or related to this Agreement.

27 14.6 **Jurisdiction and Venue.** This Agreement is signed and performed in Fresno
28 County, California. Contractor consents to California jurisdiction for actions arising from or

1 related to this Agreement, and, subject to the Government Claims Act, all such actions must be
2 brought and maintained in Fresno County.

3 14.7 **Construction.** The final form of this Agreement is the result of the parties' combined
4 efforts. If anything in this Agreement is found by a court of competent jurisdiction to be
5 ambiguous, that ambiguity shall not be resolved by construing the terms of this Agreement
6 against either party.

7 14.8 **Days.** Unless otherwise specified, "days" means calendar days.

8 14.9 **Headings.** The headings and section titles in this Agreement are for convenience
9 only and are not part of this Agreement.

10 14.10 **Severability.** If anything in this Agreement is found by a court of competent
11 jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement remains in
12 effect, and the parties shall make best efforts to replace the unlawful or unenforceable part of
13 this Agreement with lawful and enforceable terms intended to accomplish the parties' original
14 intent.

15 14.11 **Nondiscrimination.** During the performance of this Agreement, the Contractor shall
16 not unlawfully discriminate against any employee or applicant for employment, or recipient of
17 services, because of race, religious creed, color, national origin, ancestry, physical disability,
18 mental disability, medical condition, genetic information, marital status, sex, gender, gender
19 identity, gender expression, age, sexual orientation, military status or veteran status pursuant to
20 all applicable State of California and federal statutes and regulation.

21 (A) Domestic Partners and Gender Identity. For State fund-funded contracts of
22 \$100,000 or more, Contractor certifies that it complies with Public Contract Code Section
23 10295.3.

24 (B) Americans with Disabilities Act. Contractor shall comply with the Americans with
25 Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as
26 well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C.
27 12101 et seq.).
28

(C) Contractor shall include the non-discrimination and compliance provisions of this section in all subcontracts to perform work under this Agreement.

14.12 Limited English Proficiency. Contractor shall provide interpreting and translation services to persons participating in Contractor's services who have limited or no English language proficiency, including services to persons who are deaf or blind. Interpreter and translation services shall be provided as necessary to allow such participants meaningful access to the programs, services and benefits provided by Contractor. Interpreter and translation services, including translation of Contractor's "vital documents" (those documents that contain information that is critical for accessing Contractor's services or are required by law) shall be provided to participants at no cost to the participant. Contractor shall ensure that any employees, agents, subcontractors, or partners who interpret or translate for a program participant, or who directly communicate with a program participant in a language other than English, demonstrate proficiency in the participant's language and can effectively communicate any specialized terms and concepts peculiar to contractor's services.

14.13 Drug-Free Workplace Requirements. For purposes of this paragraph, Contractor will be referred to as the "grantee". By drawing funds against this grant award, the grantee is providing the certification that it is required by regulations implementing the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F. These regulations require certification by grantees that they will maintain a drug-free workplace. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractor shall also comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code section 8350 et seq.).

14.14 Grievances. Contractor shall establish procedures for handling client complaints and/or grievances. Such procedures will include provisions for informing clients of their rights to a State Hearing to resolve such issues when appropriate.

14.15 Lobbying and Political Activity. None of the funds provided under this Agreement shall be used for publicity, lobbying or propaganda purposes designed to support or defeat

1 legislation pending in the Congress of the United States of America or the Legislature of the
2 State of California. Contractor shall not directly or indirectly use any of the funds under this
3 Agreement for any political activity or to further the election or defeat of any candidate for public
4 office.

5 **14.16 Clean Air Act and the Federal Water Pollution Control Act.** If the compensation
6 to be paid by the County under this Agreement exceeds One Hundred Fifty Thousand and
7 No/100 Dollars (\$150,000) of Federal funding, Contractor agrees to comply with all applicable
8 standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q)
9 and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations
10 must be reported to the Federal awarding agency and the Regional Office of the Environmental
11 Protection Agency (EPA).

12 **14.17 Procurement of Recovered Materials.** If compensation to be paid by the County
13 under this Agreement is funded in whole or in part with Federal funding, In the performance of
14 this Agreement, Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as
15 amended by the Resource Conservation and Recovery Act. The requirements of Section 6002
16 include procuring only items designated in guidelines of the Environmental Protection Agency
17 (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials
18 practicable, consistent with maintaining a satisfactory level of competition, where the purchase
19 price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding
20 fiscal year exceeded \$10,000; procuring solid waste management services in a manner that
21 maximizes energy and resource recovery; and establishing an affirmative procurement program
22 for procurement of recovered materials identified in the EPA guidelines.

23 **14.18 No Waiver.** Payment, waiver, or discharge by the County of any liability or obligation
24 of the Contractor under this Agreement on any one or more occasions is not a waiver of
25 performance of any continuing or other obligation of the Contractor and does not prohibit
26 enforcement by the County of any obligation on any other occasion.

27 ///

28 ///

1 **14.19 Child Support Compliance Act.** If compensation to be paid by the County under
2 this Agreement includes State funding in excess of \$100,000, the Contractor acknowledges in
3 accordance with Public Contract Code 7110, that:

4 (A) Contractor recognizes the importance of child and family support obligations and
5 shall fully comply with all applicable state and federal laws relating to child and family
6 support enforcement, including, but not limited to, disclosure of information and
7 compliance with earnings assignment orders, as provided in Chapter 8 (commencing
8 with section 5200) of Part 5 of Division 9 of the Family Code; and

9 (B) Contractor to the best of its knowledge is fully complying with the earnings
10 assignment orders of all employees and is providing the names of all new employees to
11 the New Hire Registry maintained by the California Employment Development
12 Department.

13 **14.20 Priority Hiring Considerations.** If compensation to be paid by the County under this
14 Agreement includes State funding and services in excess of \$200,000, Contractor shall give
15 priority consideration in filling vacancies in positions funded by the Agreement to qualified
16 recipients of aid under Welfare and Institutions Code Section 11200, in accordance with Public
17 Contract Code Section 10353.

18 **14.21 Entire Agreement.** This Agreement, including its exhibits, is the entire agreement
19 between the Contractor and the County with respect to the subject matter of this Agreement,
20 and it supersedes all previous negotiations, proposals, commitments, writings, advertisements,
21 publications, and understandings of any nature unless those things are expressly included in
22 this Agreement. If there is any inconsistency between the terms of this Agreement without its
23 exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving
24 precedence first to the terms of this Agreement without its exhibits, and then to the terms of the
25 exhibits.

26 **14.22 No Third-Party Beneficiaries.** This Agreement does not and is not intended to
27 create any rights or obligations for any person or entity except for the parties.

28 **14.23 Authorized Signature.** The Contractor represents and warrants to the County that:

1 (A) The Contractor is duly authorized and empowered to sign and perform its
2 obligations under this Agreement.

3 (B) The individual signing this Agreement on behalf of the Contractor is duly
4 authorized to do so and his or her signature on this Agreement legally binds the
5 Contractor to the terms of this Agreement.

6 14.24 **Electronic Signatures.** The parties agree that this Agreement may be executed by
7 electronic signature as provided in this section.

8 (A) An "electronic signature" means any symbol or process intended by an individual
9 signing this Agreement to represent their signature, including but not limited to (1) a
10 digital signature; (2) a faxed version of an original handwritten signature; or (3) an
11 electronically scanned and transmitted (for example by PDF document) version of an
12 original handwritten signature.

13 (B) Each electronic signature affixed or attached to this Agreement (1) is deemed
14 equivalent to a valid original handwritten signature of the person signing this Agreement
15 for all purposes, including but not limited to evidentiary proof in any administrative or
16 judicial proceeding, and (2) has the same force and effect as the valid original
17 handwritten signature of that person.

18 (C) The provisions of this section satisfy the requirements of Civil Code section
19 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3,
20 Part 2, Title 2.5, beginning with section 1633.1).

21 (D) Each party using a digital signature represents that it has undertaken and
22 satisfied the requirements of Government Code section 16.5, subdivision (a),
23 paragraphs (1) through (5), and agrees that each other party may rely upon that
24 representation.

25 (E) This Agreement is not conditioned upon the parties conducting the transactions
26 under it by electronic means and either party may sign this Agreement with an original
27 handwritten signature.
28

14.25 **Counterparts.** This Agreement may be signed in counterparts, each of which is an original, and all of which together constitute this Agreement.

[SIGNATURE PAGE FOLLOWS]

1 The parties are signing this Agreement on the date stated in the introductory clause.

2 Avertest LLC, dba Averhealth

County OF FRESNO

3
4 Dominique Delagnes

Dominique Delagnes, Chief Executive Officer
2400 Old Brick Rd Suite 142
Glen Allen, VA 23060

Ernest Buddy Mendes

Ernest Buddy Mendes, Chairman of the
Board of Supervisors of the County of Fresno

6 **Attest:**

Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

7
8 Lauren Mohr

Lauren Mohr, Government Proposal Writer
2400 Old Brick Rd Suite 142
Glen Allen, VA 23060

By: Hanan
Deputy

10
11
12 For accounting use only:

13 DSS:

14 Org No.: 56107001
Account No.: 7870/0
15 Fund No.: 0001
Subclass No.: 10000

16 Probation:

17
18 Org Nos.: 3430 0200/0300/0390
Account No.: 7295
19 Fund No.: 0001
Subclass No.: 10000
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Exhibit A

Random Drug Testing Services

Summary of Services

ORGANIZATION: Avertest, LLC, dba Averhealth

ADDRESS: 2400 Old Brick Rd Suite 142
Glen Allen, VA 23060

SERVICES ADDRESS: 2113 Merced Street
Fresno, CA 93721

TELEPHONE: (559) 781-8029

CONTACT PERSON: Tory Collier, Regional Manager

CONTRACT PERIOD: July 1, 2025 – June 30, 2028 with two (2) possible, one (1) year extensions by written mutual consent

Summary of Services:

Overview

Avertest, LLC, dba Averhealth (Contractor) is to provide a randomized drug testing program for participants involved with the County of Fresno's Child Welfare Services (CWS) and Probation. Contractor will maintain sole responsibility for the randomized drug testing services and the reporting availability of results to CWS and Probation staff. Specific test panels to be administered and methods are outlined in Exhibit B, along with cost per unit.

Contractor Responsibilities

Contractor will manage a random drug testing program, which shall include the following:

- Enrollment of participants;
- Initial orientation session that includes, but is not limited to, discussion/explanation of the Notification Card, Medication Guide, and the Drug & Alcohol Testing Agreement;
- Random selection to ensure all participants (in rural areas and Metro Fresno) have an equal probability of testing on any given day;

Exhibit A

- Adjustments to participant's frequency groups as determined by DSS and Probation;
- Maintenance of a web-based application Aversys to manage the program;
- A multilingual, interactive notification system that clients will call on a daily basis to determine if they are required to test or not;
- Notification to DSS or Probation if a participant fails to contact the notification system or is a no-show for testing;
- Consistent and valid chain of custody procedures;
- The agreement between Averhealth and Subcontractor for rural testing; and
- Submission/access to results and other reports to DSS and Probation.

Contractor shall maintain test sites and hours of operation that meet the needs of the participants.

Testing hours for Fresno Metro are as follows:

- Downtown Fresno (Averhealth's Location)
9:00am-1:30pm, 2:30pm-6:00pm Monday-Friday
9:00am – 12:00pm Weekends and Holidays

Testing hours for rural areas are as follows:

- Subject to subcontractor's hours of operation

Location of test sites and hours of operation can be revised with written agreement of Contractor and County's Director of the Department of Social Services or designee.

Contractor shall provide annual Civil Rights training to their staff within the first 60 days of the agreement and then within the first quarter of every calendar year. Relevant proof to be provided to DSS by April 1, for each year of the contract.

Reporting

Contractor shall provide the following reports to the Departments (including, but not limited to):

- Individual participant test history;
- Summary of participant testing history;
- History of testing compliance and participation/non-participation;

Exhibit A

- Report on testing adulterations, substitutions, and/or diluted samples, or other situations where an individual could not provide a sample;
- Monthly summaries of enrollments/dismissals by established random groups;
- Monthly summaries of all tests conducted for the month;
- Cumulative no-show list;
- Monthly summary of individuals who have not enrolled;
- Monthly summary of frequency group totals;
- Quarterly testing summary including trends, graphical descriptions, drug classes testing positive;
- Comparative analysis of no-show rates; and
- Other reports are requested by the Department.

Outcomes

Outcomes	Indicator
1. Establishment of a professional and welcoming testing environment (i.e. clean office, friendly staff, minimal wait times, etc.)	<ul style="list-style-type: none">• Participants will be given a survey on a quarterly basis and show at least an 80% satisfaction rate regarding outlined expectations
2. Provision of drug testing results within the timeline expected by DSS and Probation.	<ul style="list-style-type: none">• Spot test preliminary results (dip kit results) available within one hour• Random program test results provided within one business day• Confirmation (GC/MS or LC-MS/MS) results provided within two business days• Hair test results provided within five business days• “No shows” reported same day• Any effort by a participant to adulterate a specimen or collection process shall be reported same day
3. Assurance of testing standards for reliability/validity are maintained.	<ul style="list-style-type: none">• Lab maintains accreditation with CLIA, CAP-FDT, and the DEA

County Responsibilities

Exhibit A

- County will provide appropriate referrals to Contractor and designate a Department point of contact for each Department;
- County will provide a written protocol on participant frequency groups; and
- County staff will meet and/or consult with Contractor as often as necessary to address any issues or concerns.

Exhibit B

Random Drug Testing Services

Pricing Summary

PRICING:

The following is the established price schedule for drug testing services.

The Contractor will be compensated for performance of its services under this Agreement as provided in this Exhibit B. The Contractor is not entitled to any compensation except as expressly provided in this Exhibit B

SERVICE	DESCRIPTION	UNIT PRICE
5-Panel	Standard 5-panel testing including: <ul style="list-style-type: none"> • Amphetamines; • Cocaine; • Opioids; • Fentanyl; • Cannabinoids (THC) 	FY 2025-26 \$23.00/test -Pricing includes weekends/holidays *Annual price increase not to exceed 5% per FY
6-Panel	Standard 6-panel testing including: <ul style="list-style-type: none"> • Amphetamines; • Cocaine; • Opioids; • PCP; • Cannabinoids (THC) • Alcohol (ETG) (at minimum would include back-to-back EMIT testing)	FY 2025-26 \$23.50 -Pricing includes weekends/holidays *Annual price increase not to exceed 5% per FY
Specialty substitute/add-on drugs	Buprenorphine, Meperidine, SOMA, Tramadol, Zolpidem	\$2.50
Standard Drug Add-on	Any of the following drugs added-on to a urine panel: Amphetamines (Amphetamines, Ecstasy, Methamphetamines), Barbiturates, Benzodiazepines , Cannabinoids (THC), Cocaine, Ecstasy, Methadone, Methamphetamine, Opiates (Morphine, Heroin, Hydrocodone, Hydromorphone, Oxycodone, Oxymorphone), PCP, and Propoxyphene.	\$0.50/assay
Synthetic Cannabinoids & Stimulants Combined Panel	Urine LC-MS/MS Analysis for Synthetic Cannabinoids & Stimulants	\$35.00/test

Exhibit B

SERVICE	DESCRIPTION	UNIT PRICE
Naloxone or Naltrexone Urine LC-MS/MS Analysis	Naloxone or Naltrexone Urine LC-MS/MS Analysis	\$25.00/test
Xylazine	Urine Xylazine Immunoassay Add-on	\$9.00/test
Gabapentin	Urine Gabapentin Immunoassay Add-on	\$5.00/test
Unable to Provide, refusal and rejection	Unable to Provide, refusal and rejected samples	Standard Panel Price
Standard Oral Fluid Panel	Standard Oral Fluid Panel including the five (5) following drugs: Benzodiazepines, Cocaine, Methamphetamine, THC, and Opiates	\$19.50
Oral Fluid Add-ons	Add-on any of the following to the Standard Oral Fluid Panel: Buprenorphine, Methadone, Oxycodone, or Tramadol	\$2.50/assay
Oral Fluid Lab Test – Telecollections	Oral Fluid Panel including the five (5) following drugs: Benzodiazepines, Cocaine, Methamphetamine, THC, and Opiates.	\$45.00/test *Annual price increase not to exceed 5% per FY
Oral Fluid Lab Test – Telecollections Add-ons	Add-on any of the following to the Oral Fluid Panel - Telecollections: Alcohol, Buprenorphine, Fentanyl, Methadone, Oxycodone, and Tramadol	\$2.50/assay
Hair Test	Hair Test Amphetamines, Cocaine, Hydrocodone, Hydromorphone, Methamphetamines, Opiates, PCP, and THC	\$70.00/test *Annual price increase not to exceed 5% per FY
Transdermal	Transdermal Sweat Patch	\$85.00/test
Spot Testing	Spot/Emergency Test which includes dip kit (with initial positive or negative results relayed to DSS and Probation within 1-hour) followed by a double EMIT test (with results relayed to DSS and Probation within 24-hours)	\$7.00/cup *Annual price increase not to exceed 5% per FY
Standard Confirmation Test	Confirmation Test completed via LC/MS/MS with results relayed within five business days	Included up to 5% of total monthly volume then \$15.00/assay
In-Person Expert Witness	In-Person Expert Witness Testimony for Court	\$1,500/event
Litigation Packet	Litigation Packet for Court	\$150.00/packet

Exhibit B

*Avertest LLC, dba Averhealth (Contractor) shall submit a request in writing for all annual increases on Urine Analysis panel testing to County of Fresno, Department of Social Services (DSS) and the County of Fresno Probation Department (Probation) at least 30 days prior to the changed pricing taking effect. In no event shall the annual increase be more than 5%.

In-kind services included with Contract at no extra charge:

- Information Management System
- Client Notification System
- Video Testimony
- Training and consultation sessions
- Participation in Court staffing sessions

Co-Payments

Drug testing participants may incur a share of cost in the form of a co-payment. Co-payments will be at the discretion of DSS and/or Probation. If DSS and/or Probation continues to have participants make co-payments, Contractor will be responsible for the collection and management of participant's co-payments as follows:

Urine analysis: Contractor agrees to collect a DSS or Probation determined co-payment per urine analysis screen from program participants and bill the remaining difference to DSS or Probation. DSS or Probation shall determine the amount of the co-payment required by each program participant.

Hair collection and analysis: Contractor agrees to collect the full \$70.00 cost of a hair analysis from the participant instead of DSS or Probation when the test is conducted as a result of non-compliance with the drug testing program. (Non-compliance occurs when a participant repeatedly fails to appear for urine analysis testing. County will specify non-compliance status on the referral to Contractor.

The share of cost is established by County and cannot be modified without the expressed authorization of County. Contractor is to collect payment from participants at the time of testing. Participants unprepared to pay will not be allowed to test and recorded as a "no-show." Contractor will provide data upon the request of the County as to the number of participants denied testing due to non-payment.

Exceptions will be made at the discretion of County. Contractor will be informed of any exceptions of exemptions prior to testing.

Exhibit C

Insurance Requirements

1. Required Policies

Without limiting the County's right to obtain indemnification from the Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement.

- (A) **Commercial General Liability.** Commercial general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence basis. Coverage must include products, completed operations, property damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain an endorsement to this policy naming the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by the County is excess only and not contributing with insurance provided under the Contractor's policy.
- (B) **Automobile Liability.** Automobile liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages. Coverage must include any auto used in connection with this Agreement.
- (C) **Workers Compensation.** Workers compensation insurance as required by the laws of the State of California with statutory limits.
- (D) **Employer's Liability.** Employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.
- (E) **Professional Liability.** Professional liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Three Million Dollars (\$3,000,000). If this is a claims-made policy, then (1) the retroactive date must be prior to the date on which services began under this Agreement; (2) the Contractor shall maintain the policy and provide to the County annual evidence of insurance for not less than five years after completion of services under this Agreement; and (3) if the policy is canceled or not renewed, and not replaced with another claims-made policy with a retroactive date prior to the date on which services begin under this Agreement, then the Contractor shall purchase extended reporting coverage on its claims-made policy for a minimum of five years after completion of services under this Agreement.
- (F) **Molestation Liability.** Sexual abuse / molestation liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence, with an annual aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence basis.

2. Additional Requirements

- (A) **Verification of Coverage.** Within 30 days after the Contractor signs this Agreement, and at any time during the term of this Agreement as requested by the County's Risk

Exhibit C

Manager or the County Administrative Office, the Contractor shall deliver, or cause its broker or producer to deliver, to DSS at DSSContractinsurance@fresnocountyca.gov, Attention: Contract Analyst and to Probation at ProbationInvoices@fresnocountyca.gov and ProbationContracts@fresnocountyca.gov.

- (i) Each insurance certificate must state that: (1) the insurance coverage has been obtained and is in full force; (2) the County, its officers, agents, employees, and volunteers are not responsible for any premiums on the policy; and (3) the Contractor has waived its right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under any insurance policy required by this Agreement and that waiver does not invalidate the insurance policy.
 - (ii) The commercial general liability insurance certificate must also state, and include an endorsement, that the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, are additional insureds insofar as the operations under this Agreement are concerned. The commercial general liability insurance certificate must also state that the coverage shall apply as primary insurance and any other insurance, or self-insurance, maintained by the County shall be excess only and not contributing with insurance provided under the Contractor's policy.
 - (iii) The automobile liability insurance certificate must state that the policy covers any auto used in connection with this Agreement.
 - (iv) The professional liability insurance certificate, if it is a claims-made policy, must also state the retroactive date of the policy, which must be prior to the date on which services began under this Agreement.
- (B) **Acceptability of Insurers.** All insurance policies required under this Agreement must be issued by admitted insurers licensed to do business in the State of California and possessing at all times during the term of this Agreement an A.M. Best, Inc. rating of no less than A: VII.
- (C) **Notice of Cancellation or Change.** For each insurance policy required under this Agreement, the Contractor shall provide to the County, or ensure that the policy requires the insurer to provide to the County, written notice of any cancellation or change in the policy as required in this paragraph. For cancellation of the policy for nonpayment of premium, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 10 days in advance of cancellation. For cancellation of the policy for any other reason, and for any other change to the policy, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 30 days in advance of cancellation or change. The County in its sole discretion may determine that the failure of the Contractor or its insurer to timely provide a written notice required by this paragraph is a breach of this Agreement.
- (D) **County's Entitlement to Greater Coverage.** If the Contractor has or obtains insurance with broader coverage, higher limits, or both, than what is required under this Agreement, then the County requires and is entitled to the broader coverage, higher limits, or both. To that end, the Contractor shall deliver, or cause its broker or producer

Exhibit C

to deliver, to the County's Risk Manager certificates of insurance and endorsements for all of the coverages that have such broader coverage, higher limits, or both, as required under this Agreement.

- (E) **Waiver of Subrogation.** The Contractor waives any right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under the policy of worker's compensation insurance required by this Agreement. The Contractor is solely responsible to obtain any policy endorsement that may be necessary to accomplish that waiver, but the Contractor's waiver of subrogation under this paragraph is effective whether or not the Contractor obtains such an endorsement.
- (F) **County's Remedy for Contractor's Failure to Maintain.** If the Contractor fails to keep in effect at all times any insurance coverage required under this Agreement, the County may, in addition to any other remedies it may have, suspend or terminate this Agreement upon the occurrence of that failure, or purchase such insurance coverage, and charge the cost of that coverage to the Contractor. The County may offset such charges against any amounts owed by the County to the Contractor under this Agreement.
- (G) **Subcontractors.** The Contractor shall require and verify that all subcontractors used by the Contractor to provide services under this Agreement maintain insurance meeting all insurance requirements provided in this Agreement. This paragraph does not authorize the Contractor to provide services under this Agreement using subcontractors.

Exhibit D

Self-Dealing Transaction Disclosure Form

In order to conduct business with the County of Fresno ("County"), members of a Contractor's board of directors ("County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest."

The definition above will be used for purposes of completing this disclosure form.

Instructions

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
 - a. The name of the agency/company with which the corporation has the transaction; and
 - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.

The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

Exhibit D

(1) Company Board Member Information:			
Name:		Date:	
Job Title:			
(2) Company/Agency Name and Address:			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code § 5233 (a)			
(5) Authorized Signature			
Signature:		Date:	