



Board Agenda Item 29

DATE: July 12, 2022

TO: Board of Supervisors

SUBMITTED BY: Daniel C. Cederborg, County Counsel

SUBJECT: Ratification of Settlement Agreement with Turning Point of Central California, Inc.

RECOMMENDED ACTION(S):

Formally Approve and Ratify Settlement Agreement between County of Fresno and Turning Point of Central California, Inc., to resolve payment dispute, which provides for the payment by the County of Fresno in the amount of \$1,300,000 in full satisfaction of the Turning Point of Central California, Inc. claim for approximately \$1,600,000.

Approval of the recommended action will result in the formal approval and ratification of a Settlement Agreement entered into between the County and Turning Point of Central California, Inc. (Turning Point), on terms previously authorized by the Board of Supervisors to resolve a dispute over payments for services rendered by Turning Point to clients of various departments. This item is countywide.

ALTERNATIVE ACTION(S):

The Settlement Agreement was duly executed by the County Administrative Officer (CAO) on terms authorized by the Board in closed session under exposure to litigation in January 2022 and made pursuant to the direction of the Board given on that date. The recommended action provides the public announcement of the finalization of the Settlement Agreement as required by the Ralph M. Brown Act. As such, there is no effectual alternative action available to the Board.

FISCAL IMPACT:

Most of the settlement amount paid by the County is covered by the County's insurance up to \$925,000. The remainder of the amount paid by the County (\$375,000) will be covered by Net County Cost. Sufficient appropriations and estimated revenues were included in the County Administrative Office Org 2540 FY 2021-22 Adopted Budget.

DISCUSSION:

Turning Point is a contractor with at least three different departments - Department of Social Services, Department of Behavioral Health and Probation, providing various mental health, substance use disorder and counseling services to clients. In fall 2020, Turning Point advanced claims that it had not been paid on several invoices for services. The total amount of the claim including alleged late fees and interest was approximately \$1.6 million. County staff and County Counsel reviewed and investigated the circumstances of the claim. The Board authorized the CAO to execute a settlement agreement for the payments within certain parameters under an exposure to litigation item in closed session at the January 18, 2022 Board meeting. Following negotiations with Turning Point, the parties entered into the Settlement Agreement resolving all claims by Turning Point in exchange for payment by the County of the amount of \$1.3 million.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Settlement Agreement between County of Fresno and Turning Point of Central California, Inc.

CAO ANALYST:

Sonia M. De La Rosa