Board Agenda Item 32

DATE: August 11, 2026

TO: Board of Supervisors

SUBMITTED BY: Susan L. Holt, Director, Department of Behavioral Health

SUBJECT: Retroactive Agreement with Central Valley Regional Center, Inc.

RECOMMENDED ACTION(S):

1. **Under Administrative Policy No. 34 for competitive bids or requests for proposals (AP 34) determine that an exception to the competitive bidding requirement under AP 34 is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances and that the best interests of the County would be served by entering into an Agreement with Central Valley Regional Center, Inc. (CVRC) as the Department must contract with CVRC to provide oversight at their contracted mental health rehabilitation center designed for persons with serious mental illness and co-occurring intellectual or developmental disabilities; and**

2. **Approve and authorize the Chairman to execute a retroactive revenue Agreement with CVRC for liaison and consultation services at a Mental Health Rehabilitation Center, effective July 1, 2026, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed $277,866.**

Approval of the recommended actions will continue part-time liaison and consultation services to Central Valley Regional Center (CVRC) for the operation of their Mental Health Rehabilitation Center (MHRC), "Sanger Place," by a Department of Behavioral Health licensed mental health professional. The MHRC provides inpatient mental health treatment services to persons with serious mental illness and co-occurring intellectual or developmental disabilities. The recommended agreement will allow CVRC to offset up to 25% ($55,573) of the full-time equivalent (FTE) salary and benefit costs associated with a licensed mental health professional position with no increase in Net County Cost. This item pertains to a location in District 4.

ALTERNATIVE ACTION(S):

Should the Board not approve the recommended action, the entire cost of the licensed mental health professional would be financed through Mental Health Realignment funds as placements in the MHRC would still require a licensed mental health professional to confirm specialty mental health service criteria. It may also result in persons in need of both mental health services and intellectual or developmental disability services not receiving appropriate care.

RETROACTIVE AGREEMENT:

The recommended agreement is retroactive to July 1, 2026. This item was originally scheduled for Board consideration on May 19, 2026; however, consideration of the item was delayed due to extended vendor response times and contract negotiations. As a result, the item is now being presented to your Board at the earliest possible date in accordance with agenda item processing timelines.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under AP No. 34 that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances, as CVRC is the only vendor in the region that funds one of two mental health rehabilitation centers in California specifically designed to meet the needs of persons with serious mental illness and co-occurring intellectual and developmental disabilities. The Department does not reimburse the mental health rehabilitation center for any services provided; CVRC funds all service activities. The Department is being reimbursed for liaison and consultation services related to mental health treatment occurring at the mental health rehabilitation center. The General Services Department - Purchasing concurs with the Department's assessment that this satisfies the exception to the competitive bidding process required by AP 34.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum revenue amount of $55,573 for FY 2026-27 and $277,866 for the term of the recommended agreement will offset up to 25% of the FTE salary and benefit costs associated with the utilization of a licensed mental health professional employed by the Department. Estimated revenues will be included in the Department's FY 2026-27 Recommended Budget.

DISCUSSION:

On September 7, 2021, the County and the CVRC entered into County Agreement No. 21-354 to address mental health treatment services to persons with a serious mental illness and a co-existing intellectual or developmental disability. The County and CVRC also entered into Memorandum of Understanding 21-24-08 outlining each party's responsibilities of oversight over the MHRC.

A consortium of Regional Centers, which includes CVRC, have been working in collaboration with their subcontracted provider, Telecare Corporation, with the task of continuing a 15-bed MHRC located at 2511 Jensen Avenue, Sanger, California known as "Sanger Place," that serves clients with serious mental illness and co-existing intellectual or developmental disabilities. Sanger Place is one of two MHRCs in California specifically designed to serve persons with both serious mental illness and intellectual or developmental disabilities. CVRC funds Sanger Place directly for services provided. The Department does not reimburse Sanger Place for services provided.

The recommended agreement provides for CVRC to fund up to 25% of the salary and benefits for 1.0 FTE of a licensed mental health professional from the Department. This licensed mental health professional will dedicate up to 25% of their work time delivering liaison and consultation services to the Sanger Place MHRC, which provides mental health treatment to persons with serious mental illness and co-existing developmental disabilities. The duties include oversight of mental health services, specialty consultation, review and evaluation functions and communication facilitation to appropriate local and State agencies. The staff member will also assist in cooperative communications between CVRC, Sanger Place MHRC, the Tri-Counties Regional Centers and the counties they serve.

The Department will receive reimbursement based on claims submitted to CVRC, which will reflect actual costs of the part-time licensed mental health professional. The Department will receive funding in an amount not to exceed $55,573 per fiscal year for the duration of the agreement.

The agreement includes mutual indemnification language, and each party will be responsible for providing its own insurance coverage. The Department has determined the benefits of this agreement as written outweigh any potential risks and recommends approval.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was informed of this item at their May 2026 meeting.

REFERENCE MATERIAL:

BAI #37, September 7, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - Agreement with CVRC

CAO ANALYST:

Ronald Alexander