

AGREEMENT

This Agreement is made and entered into this 25th day of April, 2017, by and between the COUNTY OF FRESNO, a Political Subdivision of the State of California, hereinafter referred to as "COUNTY", and Mental Health Systems, a California corporation whose address is 9465 Farnham Street, San Diego, California 92123, hereinafter referred to as "CONTRACTOR."

WITNESSETH:

WHEREAS, COUNTY, through its Department of Behavioral Health (DBH), Mental Health Services Act (MHSA), Community Services & Supports, General System Development (CSS/GSD), and through input from the local community planning process, recognizes the need to provide housing options for DBH clients, as specified in this Agreement and as part of Fresno County's MHSA Three Year Plan, to create affordable and safe housing opportunities that promote housing stability for DBH clients; and

WHEREAS, CONTRACTOR is qualified and willing to provide said services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of their mutual covenants and conditions, the parties hereto agree as follows:

1. COVERED SERVICES

CONTRACTOR shall perform all services and fulfill all responsibilities as identified in RFP No. 17-028, dated October 20, 2016, hereinafter referred to as RFP No. 17-028, and CONTRACTOR's response to said RFP No. 17-028, and Exhibit A "Master Lease Housing Scope of Work", all incorporated by reference and made part of this Agreement. In the event of any inconsistency among these documents, the inconsistency shall be resolved by giving precedence in the following order: 1) to this Agreement, including all Exhibits, 2) to the RFP No. 17-028, and 3) to the CONTRACTOR's Response to the RFP No. 17-028. A copy of RFP No. 17-028, and copy of CONTRACTOR's response to RFP No. 17-028, shall be retained and made available during the term of this Agreement by COUNTY's DBH.

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1 **2. TERM**

2 This Agreement shall become effective on the 1st day of May, 2017 and shall terminate
3 on the 30th day of June, 2020.

4 This Agreement may be extended for two (2) additional consecutive twelve (12) month
5 periods upon written approval of both parties no later than sixty (60) days prior to the first day of the
6 next twelve (12) month extension period. The DBH Director or her designee is authorized to execute
7 such written approval on behalf of COUNTY based on CONTRACTOR's satisfactory performance,
8 including satisfactory performance of outcomes identified in Exhibit A.

9 **3. TERMINATION**

10 A. Non-Allocation of Funds - The terms of this Agreement, and the services to be
11 provided thereunder, are contingent on the approval of funds by the appropriating government agency.
12 Should sufficient funds not be allocated, the services provided may be modified, or this Agreement
13 terminated at any time by giving the CONTRACTOR thirty (30) days advance written notice.

14 B. Breach of Contract - The COUNTY may immediately suspend or terminate this
15 Agreement in whole or in part, where in the determination of the COUNTY there is:

- 16 1) An illegal or improper use of funds;
17 2) A failure to comply with any term of this Agreement;
18 3) A substantially incorrect or incomplete report submitted to the COUNTY;
19 4) Improperly performed service.

20 In no event shall any payment by the COUNTY constitute a waiver by the
21 COUNTY of any breach of this Agreement or any default which may then exist on the part of the
22 CONTRACTOR. Neither shall such payment impair or prejudice any remedy available to the
23 COUNTY with respect to the breach or default. The COUNTY shall have the right to demand of the
24 CONTRACTOR the repayment to the COUNTY of any funds disbursed to the CONTRACTOR under
25 this Agreement, which in the judgment of the COUNTY were not expended in accordance with the
26 terms of this Agreement. The CONTRACTOR shall promptly refund any such funds upon demand or,
27 at the COUNTY's option; such repayment shall be deducted from future payments owing to
28 CONTRACTOR under this Agreement.

1 C. Without Cause - Under circumstances other than those set forth above, this
2 Agreement may be terminated by CONTRACTOR or COUNTY or COUNTY's DBH Director, or
3 designee, upon the giving of thirty (30) days advance written notice of an intention to terminate.

4 CONTRACTOR may terminate with appropriate thirty (30) days advance written notice
5 of intent to terminate transmitted by CONTRACTOR to COUNTY by Certified U.S. Mail, Return
6 Receipt Requested, addressed to the office of COUNTY as follows:

7 Director (or designee)
8 County of Fresno
9 Department of Behavioral Health
10 P.O. Box 45003
11 Fresno, CA 93718-9886

11 4. COMPENSATION

12 COUNTY shall compensate CONTRACTOR for CONTRACTOR's actual expenditures
13 made in performance of this Agreement that are set forth in Exhibit B – "New Starts (Master Lease
14 Agreement for DBH Client Housing Mental Health Systems Total Proposed Budget" – attached hereto
15 and incorporated herein by this reference.

16 The maximum compensation paid by COUNTY to CONTRACTOR under this
17 Agreement shall not exceed the following amounts: (1) For the period May 1, 2017 through June 30,
18 2017 Seventy-Nine Thousand, Seventy-Nine and No/100 Dollars (\$79,079); (2) For the period July 1,
19 2017 through June 30, 2018 Four Hundred Fifty-Three Thousand, Four Hundred Seventy-Two and
20 No/100 Dollars (\$453,472); (3) For the period July 1, 2018 through June 30, 2019 Four Hundred
21 Thirty-Two Thousand, Six Hundred Thirty and No/100 Dollars (\$432,630); (4) For the period July 1,
22 2019 through June 30, 2020 Four Hundred Forty-Four Thousand, One Hundred Sixty-Three
23 (\$444,163).

24 The maximum compensation under this Agreement for each of the two (2) annual
25 renewal periods are as follows: July 1, 2020 through June 30, 2021 shall not exceed Four Hundred
26 Sixty-One Thousand, Seventy-Eight and No/100 Dollars (\$461,078.00); and July 1, 2021 through June
27 30, 2022 shall not exceed Four Hundred Sixty-Eight Thousand, Two Hundred Seventy-Six and
28 No/Dollars (\$468,276.00).

1 The total maximum compensation amount under this Agreement shall not exceed Two
2 Million Three Hundred Thirty-Eight Thousand, Six Hundred Ninety-Eight and No/100 Dollars
3 (\$2,338,698.00).

4 A. It is understood that all expenses incidental to CONTRACTOR performance of
5 services under this Agreement shall be borne by CONTRACTOR. If CONTRACTOR fails to comply
6 with any provision of this Agreement, COUNTY shall be relieved of its obligation for further
7 compensation.

8 B. Payments shall be made by COUNTY to CONTRACTOR in arrears, for services
9 provided during the preceding month, within forty-five (45) days after the date of receipt by COUNTY
10 of the monthly invoicing as described in Section Five (5) herein. Payments shall be made after receipt
11 and verification of actual expenditures incurred by CONTRACTOR in the performance of this
12 Agreement and shall be documented to COUNTY on a monthly basis by the fifteenth (15th) of the
13 month following the month of said expenditures.

14 C. COUNTY shall not be obligated to make any payments under this Agreement if
15 the request for payment is received by COUNTY more than sixty (60) days after this Agreement has
16 terminated or expired.

17 D. Any compensation not consumed by expenditures of CONTRACTOR by the
18 expiration or termination date of this Agreement shall be remitted to COUNTY within sixty (60) days
19 of expiration or termination of said Agreement.

20 E. COUNTY agrees to pay CONTRACTOR and CONTRACTOR agrees to receive
21 compensation based upon actual expenditures incurred by CONTRACTOR for monthly program costs,
22 in accordance with the budgets identified in Exhibit B.

23 F. CONTRACTOR shall be held financially liable for any and all future
24 disallowances/audit exceptions due to CONTRACTOR deficiency discovered through the State audit
25 process. At COUNTY's election, the disallowed amount will be remitted within forty-five (45) days to
26 COUNTY upon notification or shall be withheld from subsequent payments to CONTRACTOR.

27 G. In the event that funding for these services is delayed by the State Controller,
28 COUNTY may defer payment to CONTRACTOR. The amount of the deferred payment shall not

1 exceed the amount of funding delayed by the State Controller to the COUNTY. The period of time of
2 the deferral by COUNTY shall not exceed the period of time of the State Controller's delay of payment
3 to COUNTY plus forty-five (45) days.

4 **5. INVOICING**

5 CONTRACTOR shall invoice COUNTY monthly, addressed to the County of Fresno,
6 Department of Behavioral Health, 515 S. Cedar Avenue, Fresno Ca. 93702, Attention: MHSA Housing
7 Contract Analyst.

8 **6. INDEPENDENT CONTRACTOR**

9 In performance of the work, duties, and obligations assumed by CONTRACTOR under
10 this Agreement, it is mutually understood and agreed that CONTRACTOR, including any and all of
11 CONTRACTOR's officers, agents, and employees will at all times be acting and performing as an
12 independent contractor, and shall act in an independent capacity and not as an officer, agent, servant,
13 employee, joint venturer, partner, or associate of the COUNTY. Furthermore, COUNTY shall have no
14 right to control or supervise or direct the manner or method by which CONTRACTOR shall perform its
15 work and function. However, COUNTY shall retain the right to administer this Agreement so as to
16 verify that CONTRACTOR is performing its obligations in accordance with the terms and conditions
17 thereof. CONTRACTOR and COUNTY shall comply with all applicable provisions of law and the
18 rules and regulations, if any, of governmental authorities having jurisdiction over matters which are
19 directly or indirectly the subject of this Agreement.

20 Because of its status as an independent contractor, CONTRACTOR shall have
21 absolutely no right to employment rights and benefits available to COUNTY employees.
22 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, its employees
23 all legally-required employee benefits. In addition, CONTRACTOR shall be solely responsible and
24 save COUNTY harmless from all matters relating to payment of CONTRACTOR's employees,
25 including compliance with Social Security, withholding, and all other regulations governing such
26 matters. It is acknowledged that during the term of this Agreement, CONTRACTOR may be providing
27 services to others unrelated to the COUNTY or to this Agreement.

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1 **7. MODIFICATION**

2 Any matters of this Agreement may be modified from time to time by the written
3 consent of all the parties without, in any way, affecting the remainder.

4 Notwithstanding the above, changes to line items in the budgets, attached hereto as
5 Exhibit B, that do not exceed 10% of the CONTRACTOR's program total maximum compensation per
6 year of this Agreement, payable to CONTRACTOR, may be made with the written approval of
7 COUNTY's DBH Director or designee and CONTRACTOR. Said budget line item changes shall not
8 result in any change to the CONTRACTOR's program maximum compensation amount payable to
9 CONTRACTOR, as stated herein.

10 **8. NON-ASSIGNMENT**

11 Neither party shall assign, transfer or subcontract this Agreement nor their rights or
12 duties under this Agreement without the prior written consent of the other party.

13 **9. HOLD-HARMLESS**

14 CONTRACTOR agrees to indemnify, save, hold harmless, and at COUNTY's request,
15 defend the COUNTY, its officers, agents and employees from any and all costs and expenses, including
16 attorney fees and court costs, damages, liabilities, claims and losses occurring or resulting to COUNTY
17 in connection with the performance, or failure to perform, by CONTRACTOR, its officers, agents or
18 employees under this Agreement, and from any and all costs and expenses, including attorney fees and
19 court costs, damages, liabilities, claims and losses occurring or resulting to any person, firm or
20 corporation who may be injured or damaged by the performance, or failure to perform, of
21 CONTRACTOR, its officers, agents or employees under this Agreement.

22 CONTRACTOR agrees to indemnify COUNTY for Federal, State of California and/or
23 local audit exceptions resulting from noncompliance herein on the part of the CONTRACTOR.

24 **10. INSURANCE**

25 Without limiting the COUNTY's right to obtain indemnification from CONTRACTOR
26 or any third parties, CONTRACTOR, at its sole expense, shall maintain in full force and affect the
27 following insurance policies throughout the term of this Agreement:

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1 A. Commercial General Liability

2 Commercial General Liability Insurance with limits of not less than One Million
3 Dollars (\$1,000,000) per occurrence and an annual aggregate of Two Million
4 Dollars (\$2,000,000). This policy shall be issued on a per occurrence basis.
5 COUNTY may require specific coverage including completed operations,
6 product liability, contractual liability, Explosion, Collapse, and Underground
 (XCU), fire legal liability or any other liability insurance deemed necessary
 because of the nature of the Agreement.

7 B. Automobile Liability

8 Comprehensive Automobile Liability Insurance with limits for bodily injury of
9 not less than Two Hundred Fifty Thousand Dollars (\$250,000) per person, Five
10 Hundred Thousand Dollars (\$500,000) per accident and for property damages of
11 not less than Fifty Thousand Dollars (\$50,000), or such coverage with a
 combined single limit of One Million Dollars (\$1,000,000). Coverage should
 include owned and non-owned vehicles used in connection with this Agreement.

12 C. Personal Property

13 CONTRACTOR shall maintain a policy of insurance for all risk personal
14 property coverage, which shall be endorsed naming the County of Fresno as an
15 additional loss payee. The personal property coverage shall be in an amount that
16 will cover property as discussed in Section Nineteen (19) of this Agreement.

17 D. Fire Insurance and Extended Coverage

18 CONTRACTOR shall add COUNTY as an additional Loss Payee thereon.

19 E. Professional Liability

20 If CONTRACTOR employs licensed professional staff (*e.g.* Ph.D., R.N.,
21 L.C.S.W., L.M.F.T.) in providing services, Professional Liability Insurance with
22 limits of not less than One Million Dollars (\$1,000,000) per occurrence, Three
23 Million Dollars (\$3,000,000) annual aggregate. CONTRACTOR agrees that it
24 shall maintain, at its sole expense, in full force and effect for a period of three (3)
 years following the termination of this Agreement, one or more policies of
 professional liability insurance with limits of coverage as specified herein.

25 F. Worker's Compensation

26 A policy of Worker's Compensation Insurance as may be required by the
27 California Labor Code.

28 CONTRACTOR shall obtain endorsements to the Commercial General Liability
insurance naming the County of Fresno, its officers, agents, and employees, individually and

1 collectively, as additional insured, but only insofar as the operations under this Agreement are
2 concerned. Such coverage for additional insured shall apply as primary insurance and any other
3 insurance, or self-insurance, maintained by the COUNTY, its officers, agents and employees shall be
4 excess only and not contributing with insurance provided under the CONTRACTOR 's policies herein.
5 This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance
6 written notice given to COUNTY.

7 Within thirty (30) days from the date CONTRACTOR signs this Agreement,
8 CONTRACTOR shall provide certificates of insurance and endorsements as stated above for all of the
9 foregoing policies, as required herein, to the County of Fresno, Department of Behavioral Health, 515
10 South Cedar Avenue., Fresno, California, 93702, Attention: MHSA Housing Contract Analyst, stating
11 that such insurance coverage's have been obtained and are in full force; that the County of Fresno, its
12 officers, agents and employees will not be responsible for any premiums on the policies; that such
13 Commercial General Liability insurance names the County of Fresno, its officers, agents and
14 employees, individually and collectively, as additional insured, but only insofar as the operations under
15 this Agreement are concerned; that such coverage for additional insured shall apply as primary
16 insurance and any other insurance, or self-insurance, maintained by the COUNTY, its officers, agents
17 and employees, shall be excess only and not contributing with insurance provided under the
18 CONTRACTOR's policies herein; and that this insurance shall not be cancelled or changed without a
19 minimum of thirty (30) days advance, written notice given to COUNTY.

20 In the event CONTRACTOR fails to keep in effect at all times insurance coverage as
21 herein provided, the COUNTY may, in addition to other remedies it may have, suspend or terminate
22 this Agreement upon the occurrence of such event.

23 All policies shall be with admitted insurers licensed to do business in the State of
24 California. Insurance purchased shall be from companies possessing a current A.M. Best, Inc. rating of
25 A FSC VII or better.

26 **11. CONFIDENTIALITY**

27 All services performed by CONTRACTOR under this Agreement shall be in strict
28 conformance with all applicable Federal, State of California and/or local laws and regulations relating

1 to confidentiality.

2 **12. LICENSES/CERTIFICATES**

3 Throughout each term of this Agreement, CONTRACTOR and CONTRACTOR's staff
4 shall maintain all necessary licenses, permits, approvals, certificates, waivers and exemptions necessary
5 for the provision of the services hereunder and required by the laws and regulations of the United States
6 of America, State of California, the County of Fresno, and any other applicable governmental agencies.
7 CONTRACTOR shall notify COUNTY immediately in writing of its inability to obtain or maintain
8 such licenses, permits, approvals, certificates, waivers and exemptions irrespective of the pendency of
9 any appeal related thereto. Additionally, CONTRACTOR and CONTRACTOR's staff shall comply
10 with all applicable laws, rules or regulations, as may now exist or be hereafter changed.

11 **13. REPORTS**

12 A. Monthly Reports – CONTRACTOR shall submit to COUNTY's DBH by the
13 tenth (10th) of each month all monthly activity and budget reports for the preceding month.

14 In addition, CONTRACTOR shall also furnish to COUNTY such statements,
15 records, reports, data, and other information as COUNTY may request pertaining to matters covered by
16 this Agreement. In the event that CONTRACTOR fails to provide such reports or other information
17 required hereunder, it shall be deemed sufficient cause for COUNTY to withhold monthly payments
18 until there is compliance. In addition, CONTRACTOR shall provide written notification and
19 explanation to COUNTY within five (5) days of any funds received from another source to conduct the
20 same services covered by this Agreement.

21 **14. MONITORING**

22 CONTRACTOR agrees to extend to COUNTY's staff, COUNTY's DBH Director and
23 the State Department of Mental Health, or their designees, the right to review and monitor records,
24 program or procedures, at any time, in regard to clients, as well as the overall operation of
25 CONTRACTOR's program, to ensure compliance with the terms and conditions of this Agreement.

26 **15. REFERENCES TO LAWS AND RULES**

27 In the event any law, regulation, or policy referred to in this Agreement is amended
28 during the term thereof, the parties hereto agree to comply with the amended provision as of the

1 effective date of such amendment.

2 **16. COMPLIANCE WITH STATE REQUIREMENTS**

3 CONTRACTOR recognizes that COUNTY operates its mental health programs under
4 an agreement with the State of California Department of Health Care Services, and that under said
5 agreement the State imposes certain requirements on COUNTY and its subcontractors.

6 CONTRACTOR shall adhere to all State Requirements, including those identified in Exhibit C
7 “Department of Health Care Requirements”, attached hereto and by this reference incorporated herein.

8 **17. DATA SECURITY**

9 For the purpose of preventing the potential loss, misappropriation or inadvertent access,
10 viewing, use or disclosure of COUNTY data including sensitive or personal client information; abuse
11 of COUNTY resources; and/or disruption to COUNTY operations, individuals and/or agencies that
12 enter into a contractual relationship with the COUNTY for the purpose of providing services under this
13 Agreement must employ adequate data security measures to protect the confidential information
14 provided to CONTRACTOR by the COUNTY, including but not limited to the following:

15 A. **CONTRACTOR-Owned Mobile, Wireless, or Handheld Devices**

16 CONTRACTOR may not connect to COUNTY networks via personally-owned
17 mobile, wireless or handheld devices, unless the following conditions are met:

- 18 1) CONTRACTOR has received authorization by COUNTY for
19 telecommuting purposes;
- 20 2) Current virus protection software is in place;
- 21 3) Mobile device has the remote wipe feature enabled; and
- 22 4) A secure connection is used.

23 B. **CONTRACTOR-Owned Computers or Computer Peripherals**

24 CONTRACTOR may not bring CONTRACTOR-owned computers or computer
25 peripherals into the COUNTY for use without prior authorization from the COUNTY’s Chief
26 Information Officer, and/or designee(s), including but not limited to mobile storage devices. If data is
27 approved to be transferred, data must be stored on a secure server approved by the COUNTY and
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1 transferred by means of a Virtual Private Network (VPN) connection, or another type of secure
2 connection. Said data must be encrypted.

3 C. COUNTY-Owned Computer Equipment

4 CONTRACTOR may not use COUNTY computers or computer peripherals on
5 non-COUNTY premises without prior authorization from the COUNTY's Chief Information Officer,
6 and/or designee(s).

7 D. CONTRACTOR may not store COUNTY's private, confidential or sensitive
8 data on any hard-disk drive, portable storage device, or remote storage installation unless encrypted.

9 E. CONTRACTOR shall be responsible to employ strict controls to ensure the
10 integrity and security of COUNTY's confidential information and to prevent unauthorized access,
11 viewing, use or disclosure of data maintained in computer files, program documentation, data
12 processing systems, data files and data processing equipment which stores or processes COUNTY data
13 internally and externally.

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

17 G. CONTRACTOR is responsible to immediately notify COUNTY of any
18 violations, breaches or potential breaches of security related to COUNTY's confidential information,
19 data maintained in computer files, program documentation, data processing systems, data files and data
20 processing equipment which stores or processes COUNTY data internally or externally.

21 H. COUNTY shall provide oversight to CONTRACTOR's response to all incidents
22 arising from a possible breach of security related to COUNTY's confidential client information
23 provided to CONTRACTOR. CONTRACTOR will be responsible to issue any notification to affected
24 individuals as required by law or as deemed necessary by COUNTY in its sole discretion.

25 CONTRACTOR will be responsible for all costs incurred as a result of providing the required
26 notification.

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1 **18. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**

2 A. The parties to this Agreement shall be in strict conformance with all applicable
3 Federal and State of California laws and regulations, including but not limited to Sections 5328, 10850,
4 and 14100.2 *et seq.* of the Welfare and Institutions Code, Sections 2.1 and 431.300 *et seq.* of Title 42,
5 Code of Federal Regulations (CFR), Section 56 *et seq.* of the California Civil Code, Sections 11977 and
6 11812 of Title 22 of the California Code of Regulations, and the Health Insurance Portability and
7 Accountability Act (HIPAA), including but not limited to Section 1320 D *et seq.* of Title 42, United
8 States Code (USC) and its implementing regulations, including, but not limited to Title 45, CFR,
9 Sections 142, 160, 162, and 164, and The Health Information Technology for Economic and Clinical
10 Health Act (HITECH) regarding the confidentiality and security of patient information.

11 Except as otherwise provided in this Agreement, CONTRACTOR, as a Business
12 Associate of COUNTY, may use or disclose Protected Health Information (PHI) to perform functions,
13 activities or services for or on behalf of COUNTY, as specified in this Agreement, provided that such
14 use or disclosure shall not violate the HIPAA, USC 1320d *et seq.* The uses and disclosures of PHI may
15 not be more expansive than those applicable to COUNTY, as the “Covered Entity” under the HIPAA
16 Privacy Rule (45 CFR 164.500 *et seq.*), except as authorized for management, administrative or legal
17 responsibilities of the Business Associate.

18 B. CONTRACTOR shall protect, from unauthorized access, use, or disclosure of
19 names and other identifying information concerning persons receiving services pursuant to this
20 Agreement, except where permitted in order to carry out data aggregation purposes for health care
21 operations [45 CFR Sections 164.504 (e)(2)(i), 164.504 (3)(2)(ii)(A), and 164.504 (e)(4)(i)]- This
22 pertains to any and all persons receiving services pursuant to a COUNTY funded program.
23 CONTRACTOR shall not use such identifying information for any purpose other than carrying out
24 CONTRACTOR’s obligations under this Agreement.

25 C. CONTRACTOR shall not disclose any such identifying information to any
26 person or entity, except as otherwise specifically permitted by this Agreement, authorized by law, or
27 authorized by the client/patient.

28 D. For purposes of the above sections, identifying information shall include, but not

1 be limited to name, identifying number, symbol, or other identifying particular assigned to the
2 individual, such as finger or voice print, or a photograph.

3 E. CONTRACTOR shall provide access, at the request of COUNTY, and in the
4 time and manner designated by COUNTY, to PHI in a designated record set (as defined in 45 CFR
5 Section 164.501), to an individual or to COUNTY in order to meet the requirements of 45 CFR
6 Section 164.524 regarding access by individuals to their PHI.

7 CONTRACTOR shall make any amendment(s) to PHI in a designated record set at the
8 request of COUNTY, and in the time and manner designated by COUNTY in accordance with 45 CFR
9 Section 164.526.

10 CONTRACTOR shall provide to COUNTY or to an individual, in a time and manner
11 designated by COUNTY, information collected in accordance with 45 CFR Section 164.528,
12 to permit COUNTY to respond to a request by the individual for an accounting of disclosures of PHI in
13 accordance with 45 CFR Section 164.528.

14 F. CONTRACTOR shall report to COUNTY, in writing, any knowledge or
15 reasonable belief that there has been unauthorized access, viewing, use, disclosure, or breach of
16 Protected Information not permitted by this Agreement, and any breach of unsecured PHI of which it
17 becomes aware, immediately and without reasonable delay and in no case later than two (2) business
18 days of discovery. Immediate notification shall be made to COUNTY's Information Security Officer
19 and Privacy Officer and COUNTY's DBH HIPAA Representative, within two (2) business days of
20 discovery. The notification shall include, to the extent possible, the identification of each individual
21 whose unsecured PHI has been, or is reasonably believed to have been, accessed, acquired, used,
22 disclosed, or breached. CONTRACTOR shall take prompt corrective action to cure any deficiencies
23 and any action pertaining to such unauthorized disclosure required by applicable Federal and State
24 Laws and regulations. CONTRACTOR shall investigate such breach and is responsible for all
25 notifications required by law and regulation or deemed necessary by COUNTY and shall provide a
26 written report of the investigation and reporting required to COUNTY's Information Security Officer
27 and Privacy Officer and COUNTY's DBH HIPAA Representative. This written investigation and
28 description of any reporting necessary shall be postmarked within the thirty (30) working days of the

discovery of the breach to the addresses below:

County of Fresno
Department of Behavioral Health
HIPAA Representative
(559) 453-4809
4441 E. Kings Canyon
Fresno, CA 93702

County of Fresno
Dept. of Public Health
Privacy Officer
(559) 445-3249
1221 Fulton Mall
Fresno, CA 93721

County of Fresno
Information Technology Services
Information Security Officer
(559) 600-5800
2048 N. Fine Avenue
Fresno, CA 93727

G. CONTRACTOR shall make its internal practices, books and records relating to the use and disclosure of PHI received from COUNTY, or received by the CONTRACTOR on behalf of COUNTY, available to the United States Department of Health and Human Services upon demand.

H. Safeguards

CONTRACTOR shall implement administrative, physical, and technical safeguards as required by 45 CFR 164.308, 164.310, and 164.312 that reasonably and appropriately protect the confidentiality, integrity, and availability of PHI, including electronic PHI, that it creates, receives, maintains or transmits on behalf of COUNTY; and to prevent access, use or disclosure of PHI other than as provided for by this Agreement. 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 CONTRACTOR's operations and the nature and scope of its activities. Upon COUNTY's request, CONTRACTOR shall provide COUNTY with information concerning such safeguards.

CONTRACTOR shall implement strong access controls and other security safeguards and precautions in order to restrict logical and physical access to confidential, personal (e.g., PHI) or sensitive data to authorized users only. Said safeguards and precautions shall include the following administrative and technical password controls for all systems used to process or store confidential, personal, or sensitive data:

1. Passwords must not be:

- a. Shared or written down where they are accessible or recognizable by anyone else; such as taped to computer screens, stored under keyboards, or visible in a work area;
- b. A dictionary word; or
- c. Stored in clear text

2. Passwords must be:

- a. Eight (8) characters or more in length;
- b. Changed every ninety (90) days;
- c. Changed immediately if revealed or compromised; and
- d. Composed of characters from at least three of the following four

groups from the standard keyboard:

- 1) Upper case letters (A-Z);
- 2) Lowercase letters (a-z);
- 3) Arabic numerals (0 through 9); and
- 4) Non-alphanumeric characters (punctuation symbols).

CONTRACTOR shall implement the following security controls on each workstation or portable computing device (e.g., laptop computer) containing confidential, personal, or sensitive data:

- 1. Network-based firewall and/or personal firewall;
- 2. Continuously updated anti-virus software; and
- 3. Patch management process including installation of all operating

system/software vendor security patches.

CONTRACTOR shall utilize a commercial encryption solution that has received FIPS 140-2 validation to encrypt all confidential, personal, or sensitive data stored on portable electronic media (including, but not limited to, compact disks and thumb drives) and on portable computing devices (including, but not limited to, laptop and notebook computers).

CONTRACTOR shall not transmit confidential, personal, or sensitive data via e-mail or other internet transport protocol unless the data is encrypted by a solution that has been validated by the National Institute of Standards and Technology (NIST) as conforming to the Advanced Encryption Standard (AES) Algorithm.

I. Mitigation of Harmful Effects

CONTRACTOR shall mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of an unauthorized access, viewing, use, disclosure, or breach of PHI

1 by CONTRACTOR or its subcontractors in violation of the requirements of these provisions.

2 J. Contractor's Subcontractors

3 CONTRACTOR shall ensure that any of its contractors, including subcontractors,
4 if applicable, to whom CONTRACTOR provides PHI received from or created or received by
5 CONTRACTOR on behalf of COUNTY, agree to the same restrictions and conditions that apply to
6 CONTRACTOR with respect to such PHI; and to incorporate, when applicable, the relevant provisions
7 of these provisions into each subcontract or sub-award to such agents or subcontractors.

8 K. Employee Training and Discipline

9 CONTRACTOR shall train and use reasonable measures to ensure compliance
10 with the requirements of these provisions by employees who assist in the performance of functions or
11 activities on behalf of COUNTY under this Agreement and use or disclose PHI and discipline such
12 employees who intentionally violate any provisions of these provisions, including termination of
13 employment.

14 L. Termination for Cause

15 Upon COUNTY's knowledge of a material breach of these provisions by
16 CONTRACTOR, COUNTY shall either:

17 1. Provide an opportunity for CONTRACTOR to cure the breach or end the
18 violation and terminate this Agreement if CONTRACTOR does not cure the breach or end the violation
19 within the time specified by COUNTY; or

20 2. Immediately terminate this Agreement if CONTRACTOR has breached a
21 material term of these provisions and cure is not possible.

22 3. If neither cure nor termination is feasible, the COUNTY Privacy Officer
23 shall report the violation to the Secretary of the U.S. Department of Health and Human Services.

24 M. Judicial or Administrative Proceedings

25 COUNTY may terminate this Agreement in accordance with the terms and
26 conditions of this Agreement as written hereinabove, if: (1) CONTRACTOR is found guilty in a
27 criminal proceeding for a violation of the HIPAA Privacy or Security Laws or the HITECH Act; or (2)
28 a finding or stipulation that the CONTRACTOR has violated a privacy or security standard or

1 requirement of the HITECH Act, HIPAA; or other security or privacy laws in an administrative or civil
2 proceeding in which the CONTRACTOR is a party.

3 N. Effect of Termination

4 Upon termination or expiration of this Agreement for any reason,
5 CONTRACTOR shall return or destroy all PHI received from COUNTY (or created or received by
6 CONTRACTOR on behalf of COUNTY) that CONTRACTOR still maintains in any form, and shall
7 retain no copies of such PHI. If return or destruction of PHI is not feasible, it shall continue to extend
8 the protections of these provisions to such information, and limit further use of such PHI to those
9 purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI
10 that is in the possession of subcontractors or agents, if applicable, of CONTRACTOR. If Contractor
11 destroys the PHI data, a certification of date and time of destruction shall be provided to the COUNTY
12 by CONTRACTOR.

13 O. Disclaimer

14 COUNTY makes no warranty or representation that compliance by
15 CONTRACTOR with these provisions, the HITECH Act, HIPAA or the HIPAA regulations will be
16 adequate or satisfactory for CONTRACTOR's own purposes or that any information in
17 CONTRACTOR's possession or control, or transmitted or received by CONTRACTOR, is or will be
18 secure from unauthorized access, viewing, use, disclosure, or breach. CONTRACTOR is solely
19 responsible for all decisions made by CONTRACTOR regarding the safeguarding of PHI.

20 P. Amendment

21 The parties acknowledge that Federal and State laws relating to electronic data
22 security and privacy are rapidly evolving and that amendment of these provisions may be required to
23 provide for procedures to ensure compliance with such developments. The parties specifically agree to
24 take such action as is necessary to amend this agreement in order to implement the standards and
25 requirements of HIPAA, the HIPAA regulations, the HITECH Act and other applicable laws relating to
26 the security or privacy of PHI. COUNTY may terminate this Agreement upon thirty (30) days written
27 notice in the event that CONTRACTOR does not enter into an amendment providing assurances
28 regarding the safeguarding of PHI that COUNTY in its sole discretion deems sufficient to satisfy the

standards and requirements of HIPAA, the HIPAA regulations and the HITECH Act.

Q. No Third-Party Beneficiaries

Nothing express or implied in the terms and conditions of these provisions is intended to confer, nor shall anything herein confer, upon any person other than COUNTY or CONTRACTOR and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

R. Interpretation

The terms and conditions in these provisions shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of these provisions shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA regulations.

S. Regulatory References

A reference in the terms and conditions of these provisions to a section in the HIPAA regulations means the section as in effect or as amended.

T. Survival

The respective rights and obligations of CONTRACTOR as stated in this Section shall survive the termination or expiration of this Agreement.

U. 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.”

19. NON-DISCRIMINATION

During the performance of this Agreement CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment, or recipient of services, because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age or gender, pursuant to all applicable State of California and Federal statutes and regulations.

20. ENGLISH PROFICIENCY

CONTRACTOR shall provide interpreting and translation services to persons

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

12 **22. TAX EQUITY AND FISCAL RESPONSIBILITY ACT**

13 To the extent necessary to prevent disallowance of reimbursement under Section
14 1861(v) (1) (1) of the Social Security Act, (42 U.S.C. § 139x, subdivision; (v)(1){1}), until the
15 expiration of four (4) years after the furnishing of services under this Agreement, CONTRACTOR shall
16 make available upon written request of the Secretary of the United States Department of Health and
17 Human Services, or upon request of the Comptroller General of the United States General Accounting
18 Office, or any of their duly authorized representatives, a copy of this Agreement and such books,
19 documents, and records as are necessary to certify the nature and extent of the costs of these services
20 provided by CONTRACTOR under this Agreement. CONTRACTOR further agrees that in the event
21 CONTRACTOR carries out any of its duties under this Agreement through a subcontract, with a value
22 or cost of Ten Thousand and No/100 Dollars (\$10,000.00) or more over a twelve (12) month period,
23 with a related organization, such Agreement shall contain a clause to the effect that until the expiration
24 of four (4) years after the furnishing of such services pursuant to such subcontract, the related
25 organizations shall make available, upon written request of the Secretary of the United States
26 Department of Health and Human Services, or upon request of the Comptroller General of the United
27 States General Accounting Office, or any of their duly authorized representatives, a copy of such
28 subcontract and such books, documents, and records of such organization as are necessary to verify the

1 nature and extent of such costs.

2 **23. SINGLE AUDIT CLAUSE**

3 A. If CONTRACTOR expends Five Hundred Thousand Dollars (\$500,000.00) or
4 more in Federal and Federal flow-through monies, CONTRACTOR agrees to conduct an annual audit
5 in accordance with the requirements of the Single Audit Standards as set forth in Office of Management
6 and Budget (OMB) Circular A-133. CONTRACTOR shall submit said audit and management letter to
7 COUNTY. The audit must include a statement of findings or a statement that there were no findings.
8 If there were negative findings, CONTRACTOR must include a corrective action plan signed by an
9 authorized individual. CONTRACTOR agrees to take action to correct any material non-compliance or
10 weakness found as a result of such audit. Such audit shall be delivered to COUNTY's Human Services
11 Finance for review within nine (9) months of the end of any fiscal year in which funds were expended
12 and/or received for the program. Failure to perform the requisite audit functions as required by this
13 Agreement may result in COUNTY performing the necessary audit tasks, or at COUNTY's option,
14 contracting with a public accountant to perform said audit, or, may result in the inability of COUNTY
15 to enter into future agreements with CONTRACTOR. All audit costs related to this Agreement are the
16 sole responsibility of CONTRACTOR.

17 B. A single audit report is not applicable if CONTRACTOR's Federal contracts do
18 not exceed the Five Hundred Thousand Dollars (\$500,000.00) requirement or CONTRACTOR's only
19 funding is through Drug related Medi-Cal. If a single audit is not applicable, a program audit must be
20 performed and a program audit report with management letter shall be submitted by CONTRACTOR to
21 COUNTY as a minimum requirement to attest to CONTRACTOR's solvency. Said audit report shall
22 be delivered to COUNTY's DBH Business Officer for review, no later than nine (9) months after the
23 close of the fiscal year in which the funds supplied through this Agreement are expended. Failure to
24 comply with this Act may result in COUNTY performing the necessary audit tasks or contracting with
25 a qualified accountant to perform said audit. All audit costs related to this Agreement are the sole
26 responsibility of CONTRACTOR who agrees to take corrective action to eliminate any material
27 noncompliance or weakness found as a result of such audit. Audit work performed by COUNTY under
28 this section shall be billed to the CONTRACTOR at COUNTY's cost, as determined by COUNTY's

1 Auditor-Controller/Treasurer-Tax Collector.

2 C. CONTRACTOR shall make available all records and accounts for inspection by
3 COUNTY, the State of California, if applicable, the Comptroller General of the United States, the
4 Federal Grantor Agency, or any of their duly authorized representatives, at all reasonable times for a
5 period of at least three (3) years following final payment under this Agreement or the closure of all
6 other pending matters, whichever is later.

7 **24. ASSURANCES**

8 A. In entering into this Agreement, CONTRACTOR certifies that it is not currently
9 excluded, suspended, debarred, or otherwise ineligible to participate in the Federal Health Care
10 Programs; that it has not been convicted of a criminal offense related to the provision of health care
11 items or services; nor has it been reinstated to participation in the Federal Health Care Programs after a
12 period of exclusion, suspension, debarment, or ineligibility. If COUNTY learns, subsequent to entering
13 into contract, that CONTRACTOR is ineligible on these grounds, COUNTY will remove
14 CONTRACTOR from responsibility for, or involvement with COUNTY's business operations
15 related to the Federal Health Care Programs until such time CONTRACTOR is reinstated into
16 participation in the Federal Health Care Programs and shall remove such CONTRACTOR from any
17 position in which CONTRACTOR's compensation, or the items or services rendered, ordered or
18 prescribed by CONTRACTOR may be paid in whole or part, directly or indirectly, by Federal Health
19 Care Programs or otherwise with Federal Funds at least until such time as CONTRACTOR is reinstated
20 into participation in the Federal Health Care Programs.

21 B. If COUNTY has notice that CONTRACTOR has been charged with a criminal
22 offense related to any Federal Health Care Program, or is proposed for exclusion during the term on any
23 contract, CONTRACTOR and COUNTY shall take all appropriate actions to ensure the accuracy of any
24 claims submitted to any Federal Health Care Program. At its discretion given such circumstances,
25 COUNTY may request that CONTRACTOR cease providing services until resolution of the charges or
26 the proposed exclusion.

27 C. CONTRACTOR agrees that all potential new employees of CONTRACTOR or
28 subcontractors of CONTRACTOR who, in each case, are expected to perform professional services

1 under this Agreement, will be queried as to whether (1) they are now or ever have been excluded,
2 suspended, debarred, or otherwise ineligible to participate in the Federal health Care Programs; (2) they
3 have been convicted of criminal offense related to the provision of health care items or services; and/or
4 (3) they have been reinstated to participation in the Federal Health Care Programs after a period of
5 exclusion, suspension, debarment, or ineligibility.

6 1. In the event the potential employee or subcontractor informs
7 CONTRACTOR that he or she is excluded, suspended, debarred or otherwise ineligible, or has been
8 convicted of a criminal offense relating to the provision of health care services, and CONTRACTOR
9 hires or engages such potential employee or subcontractor, CONTRACTOR will ensure that said
10 employee or subcontractor does not work, either directly or indirectly, relating to services provided to
11 COUNTY.

12 2. Notwithstanding any other provision of this Agreement, COUNTY at its
13 discretion may terminate this Agreement in accordance with Paragraph 3 hereof, or require adequate
14 assurance (as defined by COUNTY) that no excluded, suspended or otherwise ineligible individual will
15 perform work, either directly or indirectly, relating to services provided to COUNTY. Such demand
16 for adequate assurance shall be effective upon a time frame to be determined by COUNTY to protect
17 the interests of COUNTY consumers.

18 D. CONTRACTOR shall verify (by asking the applicable employees and
19 subcontractors) that all current employees and existing subcontractors who, in each case, are expected to
20 perform professional services under this Agreement; (a) are not currently excluded, suspended,
21 debarred, or otherwise ineligible to participate in the Federal Health Care Programs; (b) have not been
22 convicted of a criminal offense related to the provision of health care items or services; and (c) have not
23 been reinstated to participation in the Federal Health Care Program after a period of exclusion,
24 suspension, debarment, or ineligibility. In the event any existing employee or subcontractor informs
25 CONTRACTOR that he or she is excluded, suspended, debarred or otherwise ineligible to participate in
26 the Federal Health Care Programs, or has been convicted of a criminal offense relating to the provision
27 of health care services, CONTRACTOR will ensure that said employee or subcontractor does not work,
28 either directly or indirectly, relating to services provided to COUNTY.

1 1. CONTRACTOR agrees to notify COUNTY immediately during the term
2 of this Agreement whenever CONTRACTOR's engagement partner under this Agreement learns that an
3 employee or subcontractor who, in each case, is providing professional services under this Agreement is
4 excluded, suspended, debarred or otherwise ineligible to participate in the Federal Health Care
5 Programs, or is convicted of a criminal offense relating to the provision of health care services.

6 2. Notwithstanding the above, COUNTY at its discretion may terminate this
7 Agreement in accordance with the Termination Section of this Agreement, or require adequate assurance
8 (as defined by COUNTY) that no excluded, suspended or otherwise ineligible employee or
9 subcontractor of CONTRACTOR will perform work, either directly or indirectly, relating to services
10 provided to COUNTY. Such demand for adequate assurance shall be effective upon a time frame to be
11 determined by COUNTY to protect the interests of COUNTY consumers.

12 E. CONTRACTOR agrees to cooperate fully with any reasonable requests for
13 information from COUNTY which may be necessary to complete any internal or external audits relating
14 to this Agreement.

15 F. CONTRACTOR agrees to reimburse COUNTY for the entire cost of any penalty
16 imposed upon COUNTY by the Federal Government as a result of CONTRACTOR's violation of
17 CONTRACTOR's obligations as described in the Section.

18 **26. DISCLOSURE – CRIMINAL HISTORY AND CIVIL ACTIONS**

19 CONTRACTOR is required to disclose if any of the following conditions apply to
20 them, their owners, officers, corporate managers and partners:

21 A. Within the three-year period preceding the Agreement award, they have been
22 convicted of, or had a civil judgment rendered against them for:

- 23 1. Fraud or a criminal offense in connection with obtaining, attempting to
24 obtain, or performing a public (federal, state, or local) transaction or contract under a public
25 transaction;
26 2. Violation of a federal or state antitrust statute;
27 3. Embezzlement, theft, forgery, bribery, falsification, or destruction of
28 records; or

1 4. False statements or receipt of stolen property.

2 B. Within a three-year period preceding their Agreement award, they have had a
3 public transaction (federal, state, or local) terminated for cause or default.

4 Disclosure of the above information will not automatically eliminate CONTRACTOR
5 from further business consideration. The information will be considered as part of the determination
6 of whether to continue and/or renew the contract and any additional information or explanation that a
7 CONTRACTOR elects to submit with the disclosed information will be considered. If it is later
8 determined that the CONTRACTOR failed to disclose required information, any contract awarded to
9 such CONTRACTOR may be immediately voided and terminated for material failure to comply with
10 the terms and conditions of the award.

11 CONTRACTOR must sign an appropriate "Certification Regarding Debarment,
12 Suspension, and Other Responsibility Matters – Primary Covered Transactions", Exhibit D, attached
13 hereto and by this reference incorporated herein. Additionally, CONTRACTOR must immediately
14 advise the County in writing if, during the term of the agreement: (1) CONTRACTOR becomes
15 suspended, debarred, excluded or ineligible for participation in federal or state funded programs or
16 from receiving federal funds as listed in the excluded parties list system (<http://www/eplis.gov>); or (2)
17 any of the above listed conditions become applicable to CONTRACTOR. The CONTRACTOR will
18 indemnify, defend and hold the COUNTY harmless for any loss or damage resulting from a conviction,
19 debarment, exclusion, ineligibility or other matter listed in the signed Certification Regarding
20 Debarment, Suspension, and Other Responsibility Matters.

21 **27. DISCLOSURE OF SELF – DEALING TRANSACTIONS**

22 Only applicable if the CONTRACTOR is operating as a corporation (a for-profit or non-
23 profit corporation) or the CONTRACTOR changes its status to operate as a corporation during this
24 agreement.

25 Members of the CONTRACTOR's Board of Directors shall disclose any self-dealing
26 transactions that they are a party to while CONTRACTOR is providing goods or performing services
27 under this agreement. A self-dealing transaction shall mean a transaction to which the CONTRACTOR
28 is a party and in which one or more of its directors has a material financial interest. Members of the

1 Board of Directors shall disclose any self-dealing transactions that they are a party to by completing
2 and signing a *Self-Dealing Transaction Disclosure Form* (Exhibit E) attached hereto and by this
3 reference incorporated herein and submitting it to the COUNTY prior to commencing with the self-
4 dealing transaction or immediately thereafter.

5 **28. AUDITS AND INSPECTIONS**

6 The CONTRACTOR shall at any time during business hours, and as often as the
7 COUNTY may deem necessary, make available to the COUNTY for examination all of its records and
8 data with respect to the matters covered by this Agreement. The CONTRACTOR shall, upon request
9 by the COUNTY, permit the COUNTY to audit and inspect all such records and data necessary to
10 ensure CONTRACTOR's compliance with the terms of this Agreement.

11 If this Agreement exceeds Ten Thousand and No/100 Dollars (\$10,000.00),
12 CONTRACTOR shall be subject to the examination and audit of the State Auditor General for a period
13 of three (3) years after final payment under contract (Government Code section 8546.7).

14 **29. PROHIBITION ON PUBLICITY**

15 None of the funds, materials, property or services provided directly or indirectly under
16 this Agreement shall be used for CONTRACTOR's advertising, fundraising, or publicity (i.e.,
17 purchasing tickets/tables, silent auction donations, etc.) for the purpose of self-promotion.

18 Notwithstanding the above, publicity of the services described in Section One (1) of this Agreement
19 shall be allowed as necessary to raise public awareness about the availability of such specific services
20 when approved in advance by COUNTY's DBH Director or designee and at a cost to be provided in
21 Exhibit C, attached hereto, for such items as written/printed materials, the use of media (i.e., radio,
22 television, newspapers) and any other related expense(s).

23 **30. NOTICES**

24 The persons having authority to give and receive notices under this Agreement and their
25 addresses include the following:

26 COUNTY

27 Director, Fresno County
28 Department of Behavioral Health
3133 N. Millbrook Avenue
Fresno, CA 93703

CONTRACTOR

(See Exhibit A)

1 Any and all notices between the COUNTY and the CONTRACTOR provided for or
2 permitted under this Agreement or by law shall be in writing and shall be deemed duly served when
3 personally delivered to one of the parties, or in lieu of such personal service, when deposited in the
4 United States Mail, postage prepaid, addressed to such party.
5

6 **31. GOVERNING LAW**

7 The parties agree, that for the purposes of venue, performance under this Agreement is
8 to be in Fresno County, California.

9 The rights and obligations of the parties and all interpretation and performance of this
10 Agreement shall be governed in all respects by the laws of the State of California.

11 **32. ENTIRE AGREEMENT**

12 This Agreement, including all Exhibits, RFP No. 17-028 and CONTRACTOR's
13 response thereto constitutes the entire Agreement between the CONTRACTOR and COUNTY with
14 respect to the subject matter hereof and supersedes all previous agreement negotiations, proposals,
15 commitments, writings, advertisements, publications, and understandings of any nature whatsoever
16 unless expressly included in this Agreement.

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1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first
2 hereinabove written.


3 ATTEST:

4 **CONTRACTOR**

COUNTY OF FRESNO

5 Mental Health Systems

6
7 By 

By 
Chairman, Board of Supervisors

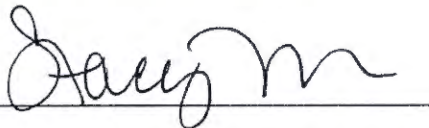
9 Print Name: James P. Gallagher


Date: 4-25-17

10
11 Title: President & CEO

12 Chairman of the Board, or
13 President, or any Vice President

BERNICE E. SEIDEL, Clerk
Board of Supervisors

14
15 By 

By 
Deputy

16
17 Print Name: Stacy Maxa

Date: 4-25-17

18
19 Title: CEO

20 Secretary (of Corporation), or
21 any Assistant Secretary, or
22 Chief Financial Officer, or
23 any Assistant Treasurer

24
25 **PLEASE SEE ADDITIONAL**
26 **SIGNATURE PAGES ATTACHED**
27
28

1 APPROVED AS TO LEGAL FORM:
2 DANIEL C. CEDERBORG, COUNTY COUNSEL

3
4 By  _____

5
6 APPROVED AS TO ACCOUNTING FORM:
7 OSCAR J. GARCIA, CPA, AUDITOR-CONTROLLER/
8 TREASURER-TAX COLLECTOR

9
10 By  _____

11 REVIEWED AND RECOMMENDED
12 FOR APPROVAL:

13
14 By  _____

15 Dawan Utecht, Director
16 Department of Behavioral Health
17
18
19
20
21
22

23 Fund/Subclass: 0001/10000
24 Organization: 56304510
25 Account/Program: 7295/0
26
27
28

MASTER LEASE HOUSING PROGRAM SCOPE OF WORK

CONTRACT SERVICES: Master Lease Housing Program

CONTRACT TERM: May 1, 2017 – June 30, 2020, and
2 one-year agreement renewal options

NUMBER OF CLIENTS: Maximum of 25 leased units per year for client/family

CONTRACT MAXIMUM:	<u>Fiscal Year</u>	<u>Contract Annual Maximum</u>
	2016 – 17 (2 months)	\$ 79,079
	2017 - 18	\$ 453,472
	2018 - 19	\$ 432,630
	2019 - 20	\$ 444,163
	2020 - 21	\$ 461,078
	<u>2021 - 22</u>	<u>\$ 468,276</u>
Total Contract Maximum		<u>\$ 2,338,698</u>

PROJECT DESCRIPTION

The County of Fresno, on behalf of the Department of Behavioral Health (DBH), Mental Health Services Act (MHSA), Community Services and Supports (CSS) / General System Development (GSD) component, is providing funding through this Agreement to increase the capacity of affordable, stable, accessible housing for DBH clients/families living with a serious mental illness that are homeless or at-risk of homelessness. The DBH understands housing stability promotes resiliency and recovery for individuals living with a mental illness. This understanding is the foundation of the Master Lease Housing program. Under this Agreement, DBH desires to ensure Contractor (Mental Health Systems) provides master lease housing services that meet the needs of DBH as defined in the RFP #17-028, and MHS' Response to the RFP.

TARGET POPULATION

MHS master leased units will be made available to clients certified by the DBH as eligible for the Master Lease Housing program. Client rents shall be no more than 30% of their total monthly income which will be collected from the client by MHS. Clients will be individuals and/or families described within the California Welfare and Institutions Code Section 5600.3., which includes adults living with a serious mental illness or

seriously emotionally disturbed children under the age of 18, whose behavioral functioning may interfere with primary activities of daily living. MHS will rely solely on the DBH for client referrals to the Master Lease Housing program. Clients referred to the program will be actively engaged in supportive services that support the client in their wellness and recovery. Clients will also be assigned to a case manager that will assist the client in maintaining their tenancy in the program. DBH clients referred to the program will be subject to MHS standard application and screening processes which must comply with all Fair Housing Laws and Regulations.

CONTRACTOR RESPONSIBILITIES:

MHS shall be responsible for the following (and as provided and described in MHS Response to RFP # 17-028):

1. Contractor shall provide up to a maximum of 25 leased units for DBH clients/families during the first year of this Agreement in accordance with all federal, state and local Fair Housing Laws/Regulations; State of California Landlord and Tenant Laws; and the Mental Health Services Act – Housing Loan Program. An increased number of leased units and corresponding increased compensation to Contractor may be negotiated in future years of this Agreement, contingent upon funding availability and successful outcomes of the master lease housing program.
2. Contractor shall ensure all leased units to DBH clients will be fully furnished, as per Exhibit C of Contractor's Response to RFP # 17-028.
3. Contractor shall make every effort to maximize utilization of existing leased housing units in the city of Fresno as well as a percentage of units within the rural cities/locations of Fresno County.
4. Contractor shall be responsible for negotiating all terms/conditions and executions of all leases with property owners to ensure leased units are available to DBH clients.
5. Contractor shall ensure any and all rents due to property owner for leased units are paid to property owner as per lease payment terms and requirements.
6. Contractor shall be responsible for negotiating all terms/conditions and executions of all sub-leases to DBH clients of Contractor's leased units from property owners. Sub-leases shall include: tenant name, name of family members, address of unit, term of the lease, security deposit arrangement, client's monthly rent responsibility, utility arrangements, property rules, conditions of lease violation, lease termination provisions, and leased unit fully furnished.

7. Contractor shall advocate on behalf of DBH client to ensure the client has sufficient information and knowledge of tenant rights as per Fair Housing laws. Contractor shall engage clients to inquire as to the client's needs and concerns related to their housing.
8. Contractor shall encourage DBH clients to request Reasonable Accommodation to ensure accommodations are provided in a timely manner. Contractor shall advocate and ensure DBH client is provided with representation as needed to ensure reasonable accommodations are provided as needed.
9. Contractor shall assist DBH client with any and all housing subsidy applications for which the client may be eligible, i.e, Section 8 voucher, etc. Contractor staff shall be trained to assist client with any and all benefits for which the client may be eligible, i.e., Social Security Disability, etc.
10. Contractor shall provide trained staff. Contractor's housing staff assigned to the Master Lease Housing program shall be trained in "Housing Quality Standards (HQS)" to ensure each leased inspected unit is decent, safe, sanitary and affordable to DBH clients as per HQS guidelines.
11. Contractor shall ensure units to be leased to DBH clients, and subsidized with MSHA funds, will be at Fair Market Rent (FMR), and that the leased units meet the "rent reasonable" test to be performed annually to ensure compliance with FMR as published each year by HUD for Fresno County. During this Agreement, on an annual basis, Contractor shall perform "rent reasonableness" to ensure compliance with FMR so that client rents to not exceed annual FMR.
12. Contractor shall maintain electronic systems (Occupancy Ledger – O/L) to track and maintain status of various types of leased unit and client (tenant) information such as but not limited to, leases, lease payments, sub-leases to clients, tenancy status, security deposits collected and client rents collected.
13. Contractor shall perform client income re-certifications or income adjustments annually to ensure client rents do not exceed 30% of a client's monthly income. Contractor shall ensure all client rent calculations are in compliance with MSHA guidelines.
14. Contractor shall provide and/or coordinate maintenance staff for routine unit maintenance and repair. Contractor's maintenance staff shall respond to emergency after-hours maintenance requests made by clients, examples include: flooding/water leaks, clogged toilets/sinks, smell of gas, structural damage, lack of heat or water, and safety issues such as broken glass or windows.

15. Contractor shall ensure leased property owners/property managers adhere to habitability standards and complete major maintenance and repairs. In the event an incident occurs within a leased unit resulting in the leased unit becoming uninhabitable by the client, Contractor will provide alternative, emergency housing for the client.
16. Contractor shall oversee the eviction process of clients if necessary.
17. Contractor shall work collaboratively with DBH clients and DBH supportive service staff. Contractor's full time Housing Specialist shall work directly with clients and DBH supportive services staff to assist clients in maintaining their leased unit and remaining compliant with the terms of their sub-lease with Contractor.
18. Contractor shall develop, maintain and utilize a Policy & Procedures Guide (PPG) for the Master Lease Housing program to serve as a guide to: who does what; when and how often it is done; available resources to get it done; and forms/documents required. The PPG will outline the performance of critical functions such as emergency on-call systems and how to respond to crisis situations. The PPG will be routinely reviewed and revised throughout the term of the Agreement. The PPG will include, but not be limited to, the following:
 - Lease Application
 - Eligibility Criteria
 - Lease Term
 - Rent Schedule
 - Collection of Rent Payments
 - Notification of Past Due Rent
 - Hours of Operation
 - Crime Free Lease Addendum
 - Pet Policy
 - Deposit Policy
 - Parking
 - Furnishings

- Pest Control
 - Utilities
 - Compliance
 - Property
 - Entering Leased Units
 - Record Keeping
19. Contractor shall address cultural and linguistic competency within the Master Lease Housing program. All services provided by Contractor to the Master Lease Housing program will be in accordance with the Contractor's Cultural Competence Plan (CCP) and Culturally Competent Clinical Practice Standards. Contractor's staff assigned to the Master Lease Housing program shall attend the DBH Cultural Competency Training.

OUTCOME REPORTING REQUIREMENTS:

On an annual basis and as required, Contractor shall provide the following outcomes within the Outcome Reporting format as required by DBH. [Click here](#) for a link to the Outcomes Report Template and [Click here](#) for the Outcome Effectiveness Template that Contractor will utilize.

Outcomes:

- Length of time from the DBH referral of the client to Contractor to temporary housing.
- Length of time from the DBH referral of the client to Contractor to permanent housing (if other).
- Client satisfaction survey results.
- 90% utilization rate of 25 leased housing units by completion of first year of contract (June 30, 2018) and 90% utilization at any given time after first year of contract.
- Maintain occupancy ledger that includes pertinent client information such as demographics, address, rent subsidy, rent portion, benefits status, employment status

- Any other outcome as determined by the DBH as appropriate to the Master Lease Housing program.

COUNTY RESPONSIBILITIES:

COUNTY SHALL:

- 1) Provide oversight, support, authorization and ongoing monitoring of the Master Lease Housing program;
- 2) Notify Contractor of their responsibilities through DBH letters and other written communications, conferences, formal and informal trainings and individual consultation; and
- 3) Meet with Contractor monthly to discuss progress/status of the Master Lease Housing program and facilitate discussion of concerns/issues.
- 4) Participate in evaluating the progress of the Master Lease Housing program
- 5) Recognize that cultural competence is a goal toward which professionals, agencies, and systems should strive. Becoming culturally competent is a developmental process and incorporates at all levels the importance of culture, the assessment of cross-cultural relations, vigilance towards the dynamics that result from cultural differences, the expansion of cultural knowledge, and the adaptation of services to meet culturally-unique needs. Offering those services in a manner that fails to achieve its intended result due to cultural and linguistic barriers is not cost effective. To assist the Contractor's efforts towards cultural and linguistic competency, DBH shall provide the following at no cost to Contractor:
 - A. Technical assistance to vendor regarding cultural competency requirements and sexual orientation training.
 - B. Mandatory cultural competency training including sexual orientation and sensitivity training for DBH and Contractor personnel, at minimum once per year. DBH will provide mandatory training regarding the special needs of this diverse population and will be included in the cultural competence training(s). Sexual orientation and sensitivity to gender differences is a basic cultural competence principle and shall be included in the cultural competency training. Literature suggests the mental health needs of lesbian, gay, bisexual; transgender (LGBT) individuals may be at increased risk for mental disorders and mental health problems due to exposure to societal stressors such as stigmatization, prejudice and anti-gay violence.

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
May 1, 2017 to June 30, 2017

Budget Categories -		Total Proposed Budget		
Line Item Description (Must be itemized)	FTE %	Admin.	Direct	Total
PERSONNEL SALARIES:				
Program Manager	0.05	\$749		\$749
Administrative Assistant	1.00	\$5,200		\$5,200
Housing Director	0.05	\$708		\$708
Housing Specialist	1.00	\$6,240		\$6,240
Program Analyst	0.07	\$683		\$683
SALARY TOTAL	2.17	\$13,580		\$13,580
PAYROLL TAXES:				
FICA/MEDICARE		\$1,039		\$1,039
SUI		\$107		\$107
PAYROLL TAX TOTAL		\$1,146		\$1,146
EMPLOYEE BENEFITS:				
Retirement		\$1,086		\$1,086
Workers' Compensation		\$269		\$269
Health Insurance (medical, vision, life, dental)		\$1,683		\$1,683
EMPLOYEE BENEFITS TOTAL		\$3,038		\$3,038
SALARY & BENEFITS GRAND TOTAL				\$17,764
FACILITIES/EQUIPMENT EXPENSES:				
Rent/Lease - Client Housing				\$40,000
Depreciation & Interest - Admin Office				\$599
Rent/Lease Equipment				\$10
Utilities				\$681
Building Maintenance				\$272
Equipment Maintenance				\$31
FACILITY/EQUIPMENT TOTAL				\$41,594
OPERATING EXPENSES:				
Telephone				\$102
Postage				\$17
Office Supplies & Equipment				\$17
Household Supplies				\$17
Program Supplies				\$733
Transportation of Clients				\$247
Staff Mileage/vehicle maintenance				\$122
Security				\$307
Software Expense				\$25
OPERATING EXPENSES TOTAL				\$1,586
FINANCIAL SERVICES EXPENSES:				
Liability Insurance				\$338
Indirect Costs				\$8,886
FINANCIAL SERVICES TOTAL				\$9,223
TOTAL PROGRAM EXPENSES				\$70,167
OTHER REVENUE:				
Client Rent Revenue				(\$3,500)
OTHER REVENUE TOTAL				-\$3,500
MHSA FUNDS:				
Community Services & Supports: General Service Delivery Funds				-\$66,667
MHSA FUNDS TOTAL				-\$66,667
TOTAL PROGRAM REVENUE				-\$70,167

Budget \$0

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
May 1, 2017 through June 30, 2017
BUDGET NARRATIVE - EXPENSES

PROGRAM EXPENSES**Personnel Salaries, Payroll Taxes & Employee Benefits - Line Items 0001- 0042**

These amounts reflect FTE positions, part-time positions and whether the positions are administrative or direct service.

\$17,764.00

Facilities/Equipment Expenses – Line Items 1010-1014

Client rent - FMR @ \$800 per month × 2 months × 25 clients; Shared cost of depreciation & interest expenditures, rented fencing, network management, firewall, and facility maintenance @ 2550 W Clinton Ave

\$41,593.00

Operating Expenses - Line Items 1060-1077

Cost of LAN lines, internet services, computers, cell phones, postage supplies, household supplies, office supplies, security, software, client transportation, and staff travel

\$1,586.00

Financial Services Expenses – Line Items 1080-1085

Cost of liability insurance and indirect costs @ 14.5% of direct program expenses per MHS' cost allocation plan and federal rate approval

\$9,224.00

TOTAL PROGRAM EXPENSE: \$70,167.00

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2017 to Jun 30, 2018

Budget Categories -	
Line Item Description (Must be itemized)	Total
Sofa	\$2,079
Chest	\$329
Night Stand (x2)	\$417
Coffee Table	\$413
Kitchen Table + 2 Chairs	\$1,038
Lamp (x2)	\$79
Mattress Protection	\$408
Bed - Full + Frame	\$1,875
Bedding set	\$288
Dishes including glasses	\$208
Meal prep pots & pans	\$288
Cleaning equipment	\$104
Cleaning supplies kit	\$92
Additional linens	\$167
Indirect costs	\$1,129
APARTMENT FURNISHING EXPENSES TOTAL	\$8,912

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2017 to Jun 30, 2018

Budget Categories -

Total Proposed Budget

Line Item Description (Must be itemized)	FTE %	Admin.	Direct	Total
PERSONNEL SALARIES:				
Program Manager	0.05	\$4,495		\$4,495
Administrative Assistant	1.00	\$31,200		\$31,200
Housing Director	0.05	\$4,250		\$4,250
Housing Specialist	1.00	\$37,440		\$37,440
Program Analyst	0.07	\$4,096		\$4,096
SALARY TOTAL	2.17	\$81,481	\$0	\$81,481
PAYROLL TAXES:				
FICA/MEDICARE		\$6,233	\$0	\$6,233
SUI		\$644	\$0	\$644
PAYROLL TAX TOTAL		\$6,877	\$0	\$6,877
EMPLOYEE BENEFITS:				
Retirement		\$6,518	\$0	\$6,518
Workers' Compensation		\$1,613	\$0	\$1,613
Health Insurance (medical, vision, life, dental)		\$10,095	\$0	\$10,095
EMPLOYEE BENEFITS TOTAL		\$18,226	\$0	\$18,226
SALARY & BENEFITS GRAND TOTAL				\$106,584
FACILITIES/EQUIPMENT EXPENSES:				
Rent/Lease - Client Housing				\$240,000
Depreciation & Interest - Admin Office				\$3,596
Rent/Lease Equipment				\$61
Utilities				\$4,086
Building Maintenance				\$1,634
Equipment Maintenance				\$184
FACILITY/EQUIPMENT TOTAL				\$249,561
OPERATING EXPENSES:				
Telephone				\$613
Postage				\$100
Office Supplies & Equipment				\$100
Household Supplies				\$100
Program Supplies				\$4,400
Transportation of Clients				\$1,482
Staff Mileage/vehicle maintenance				\$732
Security				\$1,839
Software Expense				\$151
OPERATING EXPENSES TOTAL				\$9,517
FINANCIAL SERVICES EXPENSES:				
Liability Insurance				\$2,025
Indirect Costs				\$53,313
FINANCIAL SERVICES TOTAL				\$55,338
TOTAL PROGRAM EXPENSES				\$421,000
OTHER REVENUE:				
Client Rent Revenue				-\$21,000
OTHER REVENUE TOTAL				-\$21,000
MHSA FUNDS:				
Community Services & Supports: General Service Delivery Funds				-\$400,000
MHSA FUNDS TOTAL				-\$400,000
TOTAL PROGRAM REVENUE				-\$421,000
Budget Check				\$0

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2017 to Jun 30, 2018
BUDGET NARRATIVE - EXPENSES

PROGRAM EXPENSES**Personnel Salaries, Payroll Taxes & Employee Benefits - Line Items 0001- 0042**

These amounts reflect FTE positions, part-time positions and whether the positions are administrative or direct service.

\$106,584.00

Facilities/Equipment Expenses – Line Items 1010-1014

Client rent - FMR @ \$800 per month × 12 months × 25 clients; Shared cost of depreciation & interest expenditures, rented fencing, network management, firewall, and facility maintenance @ 2550 W Clinton Ave

\$249,561.00

Operating Expenses - Line Items 1060-1077

Cost of LAN lines, internet services, computers, cell phones, postage supplies, household supplies, office supplies, security, software, client transportation, and staff travel

\$9,517.00

Financial Services Expenses – Line Items 1080-1085

Cost of liability insurance and indirect costs @ 14.5% of direct program expenses per MHS' cost allocation plan and federal rate approval

\$55,338.00

TOTAL PROGRAM EXPENSE: \$421,000.00

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2017 to Jun 30, 2018

Budget Categories -	
Line Item Description (Must be itemized)	Total
Sofa	\$12,475
Chest	\$1,975
Night Stand (x2)	\$2,500
Coffee Table	\$2,475
Kitchen Table + 2 Chairs	\$6,225
Lamp (x2)	\$475
Mattress Protection	\$2,450
Bed - Full + Frame	\$11,250
Bedding set	\$1,725
Dishes including glasses	\$1,250
Meal prep pots & pans	\$1,725
Cleaning equipment	\$625
Cleaning supplies kit	\$550
Additional linens	\$1,000
Indirect costs	\$6,772
APARTMENT FURNISHING EXPENSES TOTAL	\$53,472

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2018 to Jun 30, 2019

Budget Categories -

Total Proposed Budget

Line Item Description (Must be itemized)	FTE %	Admin.	Direct	Total
PERSONNEL SALARIES:				
Program Manager	0.05	\$4,630		\$4,630
Administrative Assistant	1.00	\$32,136		\$32,136
Housing Director	0.05	\$4,378		\$4,378
Housing Specialist	1.00	\$38,563		\$38,563
Program Analyst	0.07	\$4,219		\$4,219
SALARY TOTAL	2.17	\$83,926	\$0	\$83,926
PAYROLL TAXES:				
FICA/MEDICARE		\$6,420	\$0	\$6,420
SUI		\$644	\$0	\$644
PAYROLL TAX TOTAL		\$7,064	\$0	\$7,064
EMPLOYEE BENEFITS:				
Retirement		\$6,714	\$0	\$6,714
Workers' Compensation		\$1,662	\$0	\$1,662
Health Insurance (medical, vision, life, dental)		\$10,397	\$0	\$10,397
EMPLOYEE BENEFITS TOTAL		\$18,773	\$0	\$18,773
SALARY & BENEFITS GRAND TOTAL				\$109,763
FACILITIES/EQUIPMENT EXPENSES:				
Rent/Lease - Client Housing				\$247,200
Depreciation & Interest - Admin Office				\$3,596
Rent/Lease Equipment				\$61
Utilities				\$4,086
Building Maintenance				\$1,634
Equipment Maintenance				\$184
FACILITY/EQUIPMENT TOTAL				\$256,761
OPERATING EXPENSES:				
Telephone				\$613
Postage				\$100
Office Supplies & Equipment				\$100
Household Supplies				\$100
Program Supplies				\$0
Transportation of Clients				\$1,482
Staff Mileage/vehicle maintenance				\$732
Security				\$1,839
Software Expense				\$151
OPERATING EXPENSES TOTAL				\$5,117
FINANCIAL SERVICES EXPENSES:				
Liability Insurance				\$1,932
Indirect Costs				\$54,215
FINANCIAL SERVICES TOTAL				\$56,147
TOTAL PROGRAM EXPENSES				\$427,788
OTHER REVENUE:				
Client Rent Revenue				-\$21,630
OTHER REVENUE TOTAL				-\$21,630
MHSA FUNDS:				
Community Services & Supports: General Service Delivery Funds				-\$406,158
MHSA FUNDS TOTAL				-\$406,158
TOTAL PROGRAM REVENUE				-\$427,788
Budget Check				\$0

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2018 to Jun 30, 2019
BUDGET NARRATIVE - EXPENSES

PROGRAM EXPENSES**Personnel Salaries, Payroll Taxes & Employee Benefits - Line Items 0001- 0042**

These amounts reflect FTE positions, part-time positions and whether the positions are administrative or direct service.

\$109,763.00

Facilities/Equipment Expenses – Line Items 1010-1014

Client rent - FMR @ \$800 per month × 12 months × 25 clients; Shared cost of depreciation & interest expenditures, rented fencing, network management, firewall, and facility maintenance @ 2550 W Clinton Ave

\$256,761.00

Operating Expenses - Line Items 1060-1077

Cost of LAN lines, internet services, computers, cell phones, postage supplies, household supplies, office supplies, security, software, client transportation, and staff travel

\$5,117.00

Financial Services Expenses – Line Items 1080-1085

Cost of liability insurance and indirect costs @ 14.5% of direct program expenses per MHS' cost allocation plan and federal rate approval

\$56,147.00

TOTAL PROGRAM EXPENSE: \$427,788.00

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2018 to Jun 30, 2019

Budget Categories -	
Line Item Description (Must be itemized)	Total
Sofa	\$4,158
Chest	\$658
Night Stand (x2)	\$833
Coffee Table	\$825
Kitchen Table + 2 Chairs	\$2,075
Lamp (x2)	\$158
Mattress Protection	\$817
Bed - Full + Frame	\$11,250
Bedding set	\$1,725
Dishes including glasses	\$417
Meal prep pots & pans	\$575
Cleaning equipment	\$208
Cleaning supplies kit	\$183
Additional linens	\$333
Indirect costs	\$2,257
APARTMENT FURNISHING EXPENSES TOTAL	\$26,472

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2019 to Jun 30, 2020

Budget Categories -

Total Proposed Budget

Line Item Description (Must be itemized)	FTE %	Admin.	Direct	Total
PERSONNEL SALARIES:				
Program Manager	0.05	\$4,769		\$4,769
Administrative Assistant	1.00	\$33,100		\$33,100
Housing Director	0.05	\$4,509		\$4,509
Housing Specialist	1.00	\$39,720		\$39,720
Program Analyst	0.07	\$4,345		\$4,345
SALARY TOTAL	2.17	\$86,443	\$0	\$86,443
PAYROLL TAXES:				
FICA/MEDICARE		\$6,613	\$0	\$6,613
SUI		\$644	\$0	\$644
PAYROLL TAX TOTAL		\$7,257	\$0	\$7,257
EMPLOYEE BENEFITS:				
Retirement		\$6,915	\$0	\$6,915
Workers' Compensation		\$1,712	\$0	\$1,712
Health Insurance (medical, vision, life, dental)		\$10,708	\$0	\$10,708
EMPLOYEE BENEFITS TOTAL		\$19,335	\$0	\$19,335
SALARY & BENEFITS GRAND TOTAL				\$113,035
FACILITIES/EQUIPMENT EXPENSES:				
Rent/Lease - Client Housing				\$254,616
Depreciation & Interest - Admin Office				\$3,596
Rent/Lease Equipment				\$61
Utilities				\$4,086
Building Maintenance				\$1,634
Equipment Maintenance				\$184
FACILITY/EQUIPMENT TOTAL				\$264,177
OPERATING EXPENSES:				
Telephone				\$613
Postage				\$100
Office Supplies & Equipment				\$100
Household Supplies				\$100
Program Supplies				\$0
Transportation of Clients				\$1,482
Staff Mileage/vehicle maintenance				\$732
Security				\$1,839
Software Expense				\$151
OPERATING EXPENSES TOTAL				\$5,117
FINANCIAL SERVICES EXPENSES:				
Liability Insurance				\$1,984
Indirect Costs				\$55,657
FINANCIAL SERVICES TOTAL				\$57,641
TOTAL PROGRAM EXPENSES				\$439,970
OTHER REVENUE:				
Client Rent Revenue				-\$22,279
OTHER REVENUE TOTAL				-\$22,279
MHSA FUNDS:				
Community Services & Supports: General Service Delivery Funds				-\$417,691
MHSA FUNDS TOTAL				-\$417,691
TOTAL PROGRAM REVENUE				-\$439,970
Budget Check				\$0

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2019 to Jun 30, 2020
BUDGET NARRATIVE - EXPENSES

PROGRAM EXPENSES**Personnel Salaries, Payroll Taxes & Employee Benefits - Line Items 0001- 0042**

These amounts reflect FTE positions, part-time positions and whether the positions are administrative or direct service.

\$113,035.00

Facilities/Equipment Expenses – Line Items 1010-1014

Client rent - FMR @ \$800 per month × 12 months × 25 clients; Shared cost of depreciation & interest expenditures, rented fencing, network management, firewall, and facility maintenance @ 2550 W Clinton Ave

\$264,177.00

Operating Expenses - Line Items 1060-1077

Cost of LAN lines, internet services, computers, cell phones, postage supplies, household supplies, office supplies, security, software, client transportation, and staff travel

\$5,117.00

Financial Services Expenses – Line Items 1080-1085

Cost of liability insurance and indirect costs @ 14.5% of direct program expenses per MHS' cost allocation plan and federal rate approval

\$57,641.00

TOTAL PROGRAM EXPENSE: \$439,970.00

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2019 to Jun 30, 2020

Budget Categories -	
Line Item Description (Must be itemized)	Total
Sofa	\$4,158
Chest	\$658
Night Stand (x2)	\$833
Coffee Table	\$825
Kitchen Table + 2 Chairs	\$2,075
Lamp (x2)	\$158
Mattress Protection	\$817
Bed - Full + Frame	\$11,250
Bedding set	\$1,725
Dishes including glasses	\$417
Meal prep pots & pans	\$575
Cleaning equipment	\$208
Cleaning supplies kit	\$183
Additional linens	\$333
Indirect costs	\$2,257
APARTMENT FURNISHING EXPENSES TOTAL	\$26,472

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2020 to Jun 30, 2021

Budget Categories -

Total Proposed Budget

Line Item Description (Must be itemized)	FTE %	Admin.	Direct	Total
PERSONNEL SALARIES:				
Program Manager	0.05	\$4,912		\$4,912
Administrative Assistant	1.00	\$34,093		\$34,093
Housing Director	0.05	\$4,645		\$4,645
Housing Specialist	1.00	\$40,912		\$40,912
Program Analyst	0.07	\$4,476		\$4,476
SALARY TOTAL	2.17	\$89,038	\$0	\$89,038
PAYROLL TAXES:				
FICA/MEDICARE		\$6,811	\$0	\$6,811
SUI		\$644	\$0	\$644
PAYROLL TAX TOTAL		\$7,455	\$0	\$7,455
EMPLOYEE BENEFITS:				
Retirement		\$7,123	\$0	\$7,123
Workers' Compensation		\$1,763	\$0	\$1,763
Health Insurance (medical, vision, life, dental)		\$11,028	\$0	\$11,028
EMPLOYEE BENEFITS TOTAL		\$19,914	\$0	\$19,914
SALARY & BENEFITS GRAND TOTAL				\$116,407
FACILITIES/EQUIPMENT EXPENSES:				
Rent/Lease - Client Housing				\$262,254
Depreciation & Interest - Admin Office				\$3,596
Rent/Lease Equipment				\$61
Utilities				\$4,086
Building Maintenance				\$1,634
Equipment Maintenance				\$184
FACILITY/EQUIPMENT TOTAL				\$271,815
OPERATING EXPENSES:				
Telephone				\$613
Postage				\$100
Office Supplies & Equipment				\$100
Household Supplies				\$100
Program Supplies				\$4,400
Transportation of Clients				\$1,482
Staff Mileage/vehicle maintenance				\$732
Security				\$1,839
Software Expense				\$151
OPERATING EXPENSES TOTAL				\$9,517
FINANCIAL SERVICES EXPENSES:				
Liability Insurance				\$2,059
Indirect Costs				\$57,755
FINANCIAL SERVICES TOTAL				\$59,814
TOTAL PROGRAM EXPENSES				\$457,553
OTHER REVENUE:				
Client Rent Revenue				-\$22,947
OTHER REVENUE TOTAL				-\$22,947
MHSA FUNDS:				
Community Services & Supports: General Service Delivery Funds				-\$434,606
MHSA FUNDS TOTAL				-\$434,606
TOTAL PROGRAM REVENUE				-\$457,553
Budget Check				\$0

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2020 to Jun 30, 2021
BUDGET NARRATIVE - EXPENSES

PROGRAM EXPENSES**Personnel Salaries, Payroll Taxes & Employee Benefits - Line Items 0001- 0042**

These amounts reflect FTE positions, part-time positions and whether the positions are administrative or direct service.

\$116,407.00

Facilities/Equipment Expenses – Line Items 1010-1014

Client rent - FMR @ \$800 per month × 12 months × 25 clients; Shared cost of depreciation & interest expenditures, rented fencing, network management, firewall, and facility maintenance @ 2550 W Clinton Ave

\$271,815.00

Operating Expenses - Line Items 1060-1077

Cost of LAN lines, internet services, computers, cell phones, postage supplies, household supplies, office supplies, security, software, client transportation, and staff travel

\$9,517.00

Financial Services Expenses – Line Items 1080-1085

Cost of liability insurance and indirect costs @ 14.5% of direct program expenses per MHS' cost allocation plan and federal rate approval

\$59,814.00

TOTAL PROGRAM EXPENSE: \$457,553.00

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2020 to Jun 30, 2021

Budget Categories -	
Line Item Description (Must be itemized)	Total
Sofa	\$4,158
Chest	\$658
Night Stand (x2)	\$833
Coffee Table	\$825
Kitchen Table + 2 Chairs	\$2,075
Lamp (x2)	\$158
Mattress Protection	\$817
Bed - Full + Frame	\$11,250
Bedding set	\$1,725
Dishes including glasses	\$417
Meal prep pots & pans	\$575
Cleaning equipment	\$208
Cleaning supplies kit	\$183
Additional linens	\$333
Indirect costs	\$2,257
APARTMENT FURNISHING EXPENSES TOTAL	\$26,472

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2021 to Jun 30, 2022

Budget Categories -

Total Proposed Budget

Line Item Description (Must be itemized)	FTE %	Admin.	Direct	Total
PERSONNEL SALARIES:				
Program Manager	0.05	\$5,059		\$5,059
Administrative Assistant	1.00	\$35,116		\$35,116
Housing Director	0.05	\$4,784		\$4,784
Housing Specialist	1.00	\$42,139		\$42,139
Program Analyst	0.07	\$4,610		\$4,610
SALARY TOTAL	2.17	\$91,708	\$0	\$91,708
PAYROLL TAXES:				
FICA/MEDICARE		\$7,016	\$0	\$7,016
SUI		\$644	\$0	\$644
PAYROLL TAX TOTAL		\$7,660	\$0	\$7,660
EMPLOYEE BENEFITS:				
Retirement		\$7,337	\$0	\$7,337
Workers' Compensation		\$1,816	\$0	\$1,816
Health Insurance (medical, vision, life, dental)		\$11,358	\$0	\$11,358
EMPLOYEE BENEFITS TOTAL		\$20,511	\$0	\$20,511
SALARY & BENEFITS GRAND TOTAL				\$119,879
FACILITIES/EQUIPMENT EXPENSES:				
Rent/Lease - Client Housing				\$270,122
Depreciation & Interest - Admin Office				\$3,596
Rent/Lease Equipment				\$61
Utilities				\$4,086
Building Maintenance				\$1,634
Equipment Maintenance				\$184
FACILITY/EQUIPMENT TOTAL				\$279,683
OPERATING EXPENSES:				
Telephone				\$613
Postage				\$100
Office Supplies & Equipment				\$100
Household Supplies				\$100
Program Supplies				\$0
Transportation of Clients				\$1,482
Staff Mileage/vehicle maintenance				\$732
Security				\$1,839
Software Expense				\$151
OPERATING EXPENSES TOTAL				\$5,117
FINANCIAL SERVICES EXPENSES:				
Liability Insurance				\$2,091
Indirect Costs				\$58,670
FINANCIAL SERVICES TOTAL				\$60,761
TOTAL PROGRAM EXPENSES				\$465,440
OTHER REVENUE:				
Client Rent Revenue				-\$23,636
OTHER REVENUE TOTAL				-\$23,636
MHSA FUNDS:				
Community Services & Supports: General Service Delivery Funds				-\$441,804
MHSA FUNDS TOTAL				-\$441,804
TOTAL PROGRAM REVENUE				-\$465,440
Budget Check				\$0

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2021 to Jun 30, 2022
BUDGET NARRATIVE - EXPENSES

PROGRAM EXPENSES**Personnel Salaries, Payroll Taxes & Employee Benefits - Line Items 0001- 0042**

These amounts reflect FTE positions, part-time positions and whether the positions are administrative or direct service.

\$119,879.00

Facilities/Equipment Expenses – Line Items 1010-1014

Client rent - FMR @ \$800 per month × 12 months × 25 clients; Shared cost of depreciation & interest expenditures, rented fencing, network management, firewall, and facility maintenance @ 2550 W Clinton Ave

\$279,683.00

Operating Expenses - Line Items 1060-1077

Cost of LAN lines, internet services, computers, cell phones, postage supplies, household supplies, office supplies, security, software, client transportation, and staff travel

\$5,117.00

Financial Services Expenses – Line Items 1080-1085

Cost of liability insurance and indirect costs @ 14.5% of direct program expenses per MHS' cost allocation plan and federal rate approval

\$60,761.00

TOTAL PROGRAM EXPENSE: \$465,440.00

New Starts (Master Lease Agreement for DBH Client Housing)
Mental Health Systems
Jul 1, 2021 to Jun 30, 2022

Budget Categories -	
Line Item Description (Must be itemized)	Total
Sofa	\$4,158
Chest	\$658
Night Stand (x2)	\$833
Coffee Table	\$825
Kitchen Table + 2 Chairs	\$2,075
Lamp (x2)	\$158
Mattress Protection	\$817
Bed - Full + Frame	\$11,250
Bedding set	\$1,725
Dishes including glasses	\$417
Meal prep pots & pans	\$575
Cleaning equipment	\$208
Cleaning supplies kit	\$183
Additional linens	\$333
Indirect costs	\$2,257
APARTMENT FURNISHING EXPENSES TOTAL	\$26,472

STATE MENTAL HEALTH REQUIREMENTS

1. CONTROL REQUIREMENTS

COUNTY and its subcontractors shall provide services in accordance with all applicable Federal and State statutes and regulations.

2. PROFESSIONAL LICENSURE

All (professional level) persons employed by the COUNTY Mental Health Program (directly or through contract) providing Short-Doyle/Medi-Cal services have met applicable professional licensure requirements pursuant to Business and Professions and Welfare and Institutions Codes.

3. CONFIDENTIALITY

- A. CONTRACTOR shall comply with applicable laws and regulations, including but not limited to section 5328 et seq. of the California Welfare and Institutions Code regarding the confidentiality of patient information.
- B. CONTRACTOR shall protect, from unauthorized disclosure, names and other identifying information concerning persons receiving services pursuant to this contract, except for statistical information. This pertains to any and all persons receiving services pursuant to a Department of Mental Health funded program. CONTRACTOR shall not use such identifying information for any purpose other than carrying out the CONTRACTOR's obligations under this contract.
- C. CONTRACTOR shall not disclose, except as otherwise specifically permitted by this contract or authorized by the client/patient, any such identifying information to anyone other than the County or State without prior written authorization from the County or State in accordance with State and Federal laws.
- D. For purposes of the above paragraphs, identifying information 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.

4. NONDISCRIMINATION

- A. CONTRACTOR shall not employ any unlawful discriminatory practices in the admission of patients, assignment of accommodations, treatment, evaluation, employment of personnel, or in any other respect on the basis of race, color, gender, religion, marital status, national origin, age, sexual preference, or mental or physical handicap, in accordance with the requirements of applicable Federal or State Law.

- B. During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, mental or physical handicap, medical condition, marital status, age, or sex. CONTRACTOR shall comply with the provisions of the Americans with Disabilities Act of 1990, the Fair Employment and Housing Act (Government Code, section 12900, et seq.), and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). CONTRACTOR shall ensure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this contract by reference and made a part hereof as if set forth in full. CONTRACTOR shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- C. CONTRACTOR shall comply with the provisions of section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in all federally assisted programs or activities, as detailed in regulations signed by the Secretary of Health and Welfare Agency, effective June 2, 1977, and found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.

5. PATIENTS' RIGHTS

CONTRACTOR shall comply with applicable laws and regulations, including but not limited to, laws, regulations, and State policies relating to patients' rights.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS--PRIMARY COVERED TRANSACTIONS

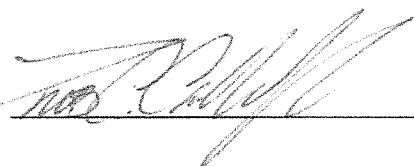
INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

CERTIFICATION

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it, its owners, officers, corporate managers and partners:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
 - (b) Have not within a three-year period preceding this proposal 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;
 - (c) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Signature: _____



James C. Callaghan Jr
(Printed Name & Title)
President and CEO

Date: _____

4/11/17

Mental Health Systems, Inc.
(Name of Agency or Company)

SELF-DEALING TRANSACTION DISCLOSURE FORM

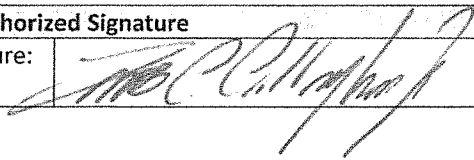
In order to conduct business with the County of Fresno (hereinafter referred to as "County"), members of a contractor's board of directors (hereinafter referred to as "County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, 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 utilized 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.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

(1) Company Board Member Information:			
Name:	James C. Callaghan, Jr.	Date:	4/11/2017
Job Title:	President and CEO		
(2) Company/Agency Name and Address:			
Mental Health Systems, Inc. 9465 Farnham Street San Diego, CA 92123			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)			
During the regular scheduled Board of Directors Meeting on April 10, 2017 each Board member was asked to disclose any self-dealing transactions. Each member of the Board of Directors responded with nothing to report.			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code 5233 (a)			
(5) Authorized Signature			
Signature:		Date:	4/11/2017