



Board Agenda Item 34

DATE: June 10, 2025

TO: Board of Supervisors

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

SUBJECT: Recovery Residences Master Agreement with Various Contractors

RECOMMENDED ACTION(S):

1. **Under Administrative Policy No. 34 for competitive bids or requests for proposals, determine that an exception to the competitive bidding requirement is satisfied and a suspension of competition is warranted due to unusual or extraordinary circumstances, and that the best interests of the County would be served by entering into an agreement with Mental Health Systems and WestCare of Central California to provide Recovery Residence sober living with supportive services; and**
2. **Approve and authorize the Chairman to execute a Master Agreement with Mental Health Systems and WestCare of Central California for Recovery Residence services, effective July 1, 2025, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$7,275,589.**

There is no additional Net County Cost associated with the recommended actions. Approval of the recommended actions will waive the competitive bidding process and allow Recovery Residence (RR) and Perinatal RR programs to continue to provide sober living housing to men and women who are currently seeking substance use disorder (SUD) treatment or are in a period of recovery immediately following successful completion of a substance use disorder treatment program. This item is countywide.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, the Department will be unable to provide RR services, which include a safe environment for persons served engaged in SUD treatment and provide supports to assist in their SUD recovery.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

It is requested that the County find under Administrative Policy No. 34 (AP 34) that an exception to the competitive bidding requirement is satisfied, and a suspension of competition is warranted due to unusual or extraordinary circumstances, as Mental Health Systems (MHS) and WestCare of Central California (WestCare) are the only two RR providers located within Fresno County who meet the National Association of Recovery Residences (NARR) standards. The General Services Department - Purchasing concurs with the Department's request to waive the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum

compensation of the agreement is \$7,275,589. Costs are based upon actual usage of the RR and Perinatal RR services at a daily rate established by each contractor. The recommended agreement is financed with Behavioral Health Realignment funds. Sufficient appropriations and estimated revenues will be included in the Department's Org 5630 FY 2025-26 Recommended Budget and in subsequent budget requests for the duration of the agreement term.

DISCUSSION:

On December 11, 2018, the Board approved Master Agreement No. 18-695 for Recovery Residence Services, effective January 1, 2019, through June 30, 2020, which included a six-month base contract and one optional one-year extension, total not to exceed \$1,500,000.

On February 14, 2020, the Department through the Internal Services Department - Purchasing Division (ISD - Purchasing) issued a Request for Proposal (RFP) #20-042 for Recovery Residences, which closed on March 11, 2020. The Department received two proposals which were accepted by ISD - Purchasing. The accepted proposals were from Turning Point of Central California (Turning Point) and WestCare.

On June 9, 2020, the Board approved Master Agreement No. 20-217 with various contractors to deliver adult outpatient SUD treatment and SUD recovery services. RR services were provided to men and women by three contractors: Turning Point, WestCare, and MHS.

On August 22, 2023, the Board approved amendment I to Master Agreement No. 20-217 to remove contractor Turning Point from the RR Master Agreement and add eight Perinatal recovery residence beds under existing contractor MHS.

The Department is seeking your Board's approval to execute a Master Agreement with contractors MHS and WestCare, through a Suspension of Competition, to continue to provide RR and Perinatal RR sober living with supportive housing services, free of alcohol and drugs, offered to men and women who are currently seeking substance use disorder treatment or in a period of recovery immediately following successful completion of a substance use disorder treatment program.

Housing continues to be identified as a critical need for individuals. In FY 2023-24, 161 individuals were served through the RR program, and 24 individuals and their families were served through the Perinatal RR program.

Contractors will be reimbursed by a daily rate negotiated between each contractor and the Department, and paid based on actual usage. Providers acknowledge that the provider rates in the fee tables are all-inclusive which account for program operating expenses.

The modification clause of the agreement delegates the board's authority to the DBH Director to make certain changes to the agreement during the term of the agreement, as further described in Article 15, Section B of the agreement.

OTHER REVIEWING AGENCIES:

The Behavioral Health Board was notified of this agreement at the May 2025 meeting.

REFERENCE MATERIAL:

BAI #24, August 22, 2023
BAI #20, June 9, 2020
BAI #34, December 11, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form
On file with Clerk - Recovery Residences Master Agreement

CAO ANALYST:

Dylan McCully