LAC DMH
LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
550 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV

MARVIN J. SOUTHARD, D.S.W.
Director
ROBIN KAY, Ph.D.,
Chief Deputy Director
RODERICK SHANER, M.D.
Medical Director

March 31, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL OF AMENDMENT NUMBER THREE TO AGREEMENT NUMBER 77676 WITH NETSMART TECHNOLOGIES, INC., FOR AN INTEGRATED BEHAVIORAL HEALTH INFORMATION SYSTEM FOR FISCAL YEAR 2014-15
(3 VOTES)
(ALL SUPERVISORIAL DISTRICTS)

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Request approval of Amendment Number Three to Agreement Number 77676 with Netsmart Technologies, Inc., to add $4,400,000 in Pool Dollars for Fiscal Year 2014-15 for County-requested Other Professional Services/Change Notices to support the Department of Mental Health in its implementation of the Integrated Behavioral Health Information System.

IT IS RECOMMENDED THAT THE BOARD:

Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute Amendment Number Three, substantially similar in format to Attachment I, to the existing Department of Mental Health (DMH or Department) Integrated Behavioral Health Information System (IBHIS or System), Agreement Number 77676 with Netsmart Technologies, Inc. (Netsmart), effective upon Board approval to provide an additional $4,400,000 in Pool Dollars for Other Professional Services/Change Notices and increase the Contract Sum by $4,400,000 for a total of $103,716,793, fully funded by the State Mental Health Services Act (MHSA) and 2011 Realignment revenues.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of the recommended actions will allow DMH to increase Pool Dollars from $9,656,378 to $14,056,378 for County-requested Other Professional Services/Change Notices needed to support DMH in its continued implementation and roll-out efforts of the IBHIS for Directly Operated clinics, Legal Entity (LE) Contract Providers, and Fee-for-Service (FFS) Contract Providers. IBHIS is the Department's new Electronic Health Record (EHR) System that will enable the Department to meet the federal and state mandates associated with health care reform and to meet County's Strategic Plan goal of achieving a seamless electronic exchange of selected health and human services data across organizational boundaries. Once IBHIS is fully deployed, both the Integrated System (IS) and the legacy Mental Health Management Information System will be retired.

The proposed Amendment will provide additional resources from Netsmart, under Other Professional Services, with practical experience and knowledge of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Electronic Data Interchange transactions and healthcare claiming systems to support DMH's Contract Provider preparation and system implementation efforts through December 31, 2015. LE and FFS Contract Providers have been limited in testing their electronic interfaces to IBHIS in preparation for the transition from the IS to IBHIS. There are changes to IBHIS being developed that are expected to make management of Contract Provider claims more efficient and less labor intensive. DMH is not staffed to handle Contract Providers testing starting May and June in anticipation of the go-live date for LE and FFS, effective July 1, 20015. Therefore, DMH has already planned for Contract Provider roll-out dates through December 31, 2015. Additional resources from Netsmart will likely be necessary to manage this extended roll-out.

The additional contracted resources from Netsmart will assist and support DMH with tasks required to prepare 116 LEs and 293 FFS Contract Providers to process test claims for IBHIS certification. The contractor resources will work closely with trained DMH employees to ensure that the claims certification process follows County procedures and protocols, LE and FFS Contract Providers receive clear information on achieving certification, and issues are identified and appropriately documented for resolution. Contractor resources will also provide additional support for production claims processing after LE and FFS contractors begin submitting claims to IBHIS.

County acquired additional resources from Netsmart, under Other Professional Services, to bridge a staffing gap and to provide ongoing transitional support to the DMH's Central Business Office through calendar year 2014. Acquiring these additional resources has nearly exhausted the $6 million in Pool Dollars requested under Board-approved Amendment Number Two, dated December 17, 2013.

Implementation of Strategic Plan Goals

The recommended actions are consistent with County Strategic Plan Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

Amendment Number Three will increase Pool Dollars by $4,400,000 to fund additional professional services and system changes/modifications. The Amendment is fully funded with $1,483,750 in State MHSA and $2,916,250 in 2011 Realignment revenues. The revised total Contract Sum is $103,716,793.

There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 18, 2011, your Board approved Agreement Number 77676 with Netsmart to provide DMH with an IBHIS, as well as ongoing Maintenance and Support Services, Hosting Services, application management, and other related services for an 11-year term and a total Contract Sum of $93,316,793. IBHIS provides clinical, administrative, financial, and data sharing functionality to support the State of California Department of Mental Health Medi-Cal and Federal Medicare programs.

On September 23, 2013, your Board approved Amendment Number One to revise standard County language regarding Contractor's Obligations as a Business Associate under HIPAA.

On December 17, 2013, your Board approved Amendment Number Two to add an additional $6,000,000 in Pool Dollars for Other Professional Services/Change Notices; increase the Contract Sum by $6,000,000, from $93,316,793 to $99,316,793; exclude certain Deliverables from the holdback provision; redistribute $1,856,750 into a new Deliverable (Pilot 1 Production Use), originally tied to Final System Acceptance; modify Maintenance and Support Services and Hosting Services provisions to reflect that such services shall commence upon Production Use of the System; and add/update certain other County-required provisions of the Agreement.

In recognition of Netsmart's progress toward the full implementation of IBHIS, DMH, in accordance with its delegated authority, released $3,044,810 in holdback funds, originally tied to Final Systems Acceptance under the terms of the Agreement, for DMH Directly Operated functionality via Change Notice Number Thirty-Nine, effective December 19, 2014. In consideration of that release, Netsmart agrees to suspend its receipt of Maintenance and Support and Hosting Services fees for a period of eight months or until Netsmart completes two consecutive successful claims cycles for Contract Providers newly in Production Use of IBHIS. DMH believes this will ensure Netsmart's performance and protection to the County. County Counsel, in consultation with outside counsel, determined that substitution of other security for the holdback amount, while not free from risk, provides County some consideration and security that can legally support the release of the holdback funds through said Change Notice. Notwithstanding these risks, DMH accepted the substitution of the suspended payments for release of the holdback funds as a reasonable business decision to protect the County in the event Netsmart does not fully perform pursuant to the conditions set forth in said Change Notice. DMH's decision is based on its determination that Netsmart has made progress and continues to work to provide necessary modifications to IBHIS to meet the unprecedented scale and complexity of claims processing. Due to the additional modifications that the IBHIS claiming module requires to achieve full implementation, the County and Netsmart have mutually agreed to an eight-month extension of Final System Acceptance.

The proposed Amendment addresses the need for supplemental resources, in the form of Change Notices, to timely fill gaps in DMH resources to keep the IBHIS project moving forward without further delay and to fund necessary changes to the IBHIS software.

This Amendment also references new Board policy language, "Consideration of Hiring Gain/Grow Participants" provision consistent with the County's standard contract language. Also, included are the Board-mandated provisions on "Data Destruction" and "Time Off for Voting." Exhibit O (Listing of Contractors Debarred in Los Angeles County), Exhibit P (IRS Notice 1015), Exhibit Q (Determination

of Contractor Non-Responsibility and Contractor Debarment), and Exhibit R (Background Resources: California Charities Regulation) were also updated.

The Amendment has been reviewed and approved as to form by County Counsel. The County's Chief Information Officer (CIO) reviewed this Amendment and determined that no CIO Analysis is required because the scope of services has not changed. The requested Amendment only provides for additional Pool Dollars to allow DMH to continue with the implementation of IBHIS.

Except as expressly provided in the Amendment, all other provisions and conditions of the Agreement will remain the same.

CONTRACTING PROCESS

On November 18, 2009, DMH issued a Request for Proposals to solicit proposals from qualified vendors to acquire, install, configure, implement, and maintain the IBHIS, under which Netsmart was the selected vendor. The resultant Agreement Number 77676 was approved by your Board on October 18, 2011, for an 11-year term to provide an EHR system consistent with the Department's requirements under MHSA that will support multiple simultaneous users and interface with several existing and planned County information systems.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended Amendment will allow DMH to continue the implementation and roll-out efforts of IBHIS and ensure a smooth transition of DMH's Contract Providers from the IS to IBHIS. Failure to approve this Amendment will mean that IBHIS implementation tasks and roll-out activities for Directly Operated clinics and Contractor Providers will be further and substantially delayed as resource constraints remain a serious issue. It will also not be possible to make necessary software changes essential to assuring successful claiming for Contract Providers within DMH resource constraints.

Respectfully submitted,

MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

Reviewed by:

RICHARD SANCHEZ
Chief Information Officer

MJS:MM:RK:RG:gt

Enclosures

c: Acting Executive Officer, Board of Supervisors
Interim Chief Executive Officer
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT I

DEPARTMENT OF MENTAL HEALTH

AMENDMENT NUMBER THREE TO

COUNTY AGREEMENT NUMBER 77676

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

NETSMART TECHNOLOGIES, INC.

FOR AN

INTEGRATED BEHAVIORAL HEALTH INFORMATION SYSTEM (IBHIS)

March 2015

AMENDMENT NUMBER THREE TO COUNTY AGREEMENT NO. 77676
BY AND BETWEEN COUNTY OF LOS ANGELES
AND
NETSMART TECHNOLOGIES, INC.
FOR THE PROVISION OF THE INTEGRATED BEHAVIORAL HEALTH INFORMATION SYSTEM (IBHIS)

This Amendment Number Three ("Amendment Number Three") is entered into by and between the County of Los Angeles (hereafter "County") and Netsmart Technologies, Inc., a Delaware corporation (hereafter "Contractor"), and amends that certain County Agreement Number 77676, dated October 18, 2011, and captioned "Agreement By and Between County of Los Angeles and Netsmart Technologies, Inc., for an Integrated Behavioral Health Information System (IBHIS), including Amendment Number One, dated September 23, 2013, Amendment Number Two, dated December 17, 2013, and Change Notice Numbers One through Forty (hereafter collectively "Agreement").

WHEREAS, County and Contractor entered into the Agreement as of October 2011 for the development, implementation, maintenance and support, and hosting of the IBHIS; and

WHEREAS, County and Contractor desire to amend the Agreement in order to increase the amount of Pool Dollars available for Other Professional Services/Change Notices.

NOW, THEREFORE, in consideration of the foregoing and pursuant to Paragraph 6 (Change Orders and Amendments) of the Agreement, Contractor and County hereby agree to amend the Agreement as follows:

1. CONSTRUCTION.

1.1 Capitalized terms used in this Amendment Number Three without further definition shall be the meaning ascribed to them in the Agreement.

1.2 As used in this Amendment Number Three, words and phrases such as 'including," "for example," "e.g.," and "such as," are intended to be descriptive and not limited.

2. AMENDMENTS TO THE BASE DOCUMENT.

The base document to the Agreement is amended as follows:

2.1 Definitions. Paragraph 1.4 (Definitions) is hereby amended by adding the following definitions thereto in the appropriate alphabetical order:

2.1.1 "Amendment Number Three" means that certain Amendment Number Three to County Agreement Number 77676, dated as of the date of approval by County's Board of Supervisors, by and between County and Contractor."

2.1.2 "Amendment Number Three Effective Date" means the date on which Amendment Number Three becomes effective in accordance with its terms."

2.2 Paragraphs 7.1 (Contract Sum – General) and 7.2 (Pool Dollars) of Paragraph 7 (CONTRACT SUM) are hereby amended by deleting them in their entirety and replacing it with the following:

"7.1 Contract Sum – General

The "Contract Sum" under this Agreement shall be the total monetary amount that may be payable by County to Contractor for supplying all the Work requested, specified and Accepted by County under this Agreement. The Contract Sum (excepting the Pool Dollars set forth in Paragraph 7.2) and schedule of payments in respect of the Work provided hereunder shall be as set forth in Exhibit C (Price and Schedule of Payments), which payments shall be paid in accordance with and upon satisfaction of, the terms and conditions of this Agreement, including the Exhibits and Attachments hereto. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed One Hundred Three Million, Seven Hundred Sixteen Thousand, Seven Hundred Ninety-Three Dollars ($103,716,793), unless the Contract Sum is modified pursuant to a duly approved amendment to this Agreement executed by County's Board of Supervisors and Contractor pursuant to Paragraph 6 (Change Notices and Amendments). Notwithstanding any provision of this Paragraph 7.1, Contractor shall fully perform and complete all Work required of Contractor by this Agreement in exchange for the amounts to be paid to Contractor as set forth in this Agreement.

7.2 Pool Dollars

The aggregate amount of Pool Dollars available under this Agreement shall not exceed Fourteen Million, Fifty-Six Thousand, Three Hundred Seventy-Eight Dollars ($14,056,378), plus any net reduction in the total price of all System Software, Maintenance and Support Fees, and Hosting Services Fees under the Agreement resulting from Change Notices executed in accordance with Paragraph 6 (Change Notices and Amendments), plus any net surplus remaining after the completion of budgeted professional services for less total expenditure than what was budgeted."

2.3 Paragraph 46 (CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS) is hereby amended by deleting it in its entirety and replacing it with the following:

"46. CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

46.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

46.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

2.4 Paragraph 88 (DATA DESTRUCTION) and Paragraph 89 (TIME OFF FOR VOTING) are hereby added to the Agreement as follows:

"88. **DATA DESTRUCTION**

Contractor(s) and Vendor(s) that have maintained, processed, or stored the County of Los Angeles' ("County") data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization.* Available at: http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, *Guidelines for Media Sanitization.* Vendor shall provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

89. **TIME OFF FOR VOTING**

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000."

3. **AMENDMENT TO EXHIBIT C (PRICE AND SCHEDULE OF PAYMENTS).**

Exhibit C (Price and Schedule of Payments) to the Agreement is hereby amended by deleting it in its entirety and replacing it with the revised Exhibit C (Price and Schedule of Payments), each page dated March 31, 2015, which is attached hereto as Attachment 1 (Exhibit C (Price and Schedule of Payments)) and incorporated herein by reference.

4. **AMENDMENT TO EXHIBIT O (LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY).**

Exhibit O (Listing of Contractors Debarred in Los Angeles County) to the Agreement is hereby amended by deleting it in its entirety and replacing it with the revised Exhibit O (Listing of Contractors Debarred in Los Angeles County), dated March 31, 2015, which is attached hereto as Attachment 2 (Exhibit O (Listing of Contractors Debarred in Los Angeles County)) and incorporated herein by reference.

5. AMENDMENT TO EXHIBIT P (IRS NOTICE 1015).

Exhibit P (IRS Notice 1015) to the Agreement is hereby amended by deleting it in its entirety and replacing it with the revised Exhibit P (IRS Notice 1015), dated March 31, 2015, which is attached hereto as Attachment 3 (Exhibit P (IRS Notice 1015)) and incorporated herein by reference.

6. AMENDMENT TO EXIBIT Q (DETERMINATION OF CONTRACTOR NON-RESPONSIBILITY AND CONTRACTOR DEBARMENT).

Exhibit Q (Determination of Contractor Non-responsibility and Contractor Debarment) to the Agreement is hereby amended by deleting it in its entirety and replacing it with the revised Exhibit Q (Determination of Contractor Non-responsibility and Contractor Debarment), each page dated March 31, 2015, which is attached hereto as Attachment 4 (Exhibit Q (Determination of Contractor Non-responsibility and Contractor Debarment)) and incorporated herein by reference.

7. AMENDMENT TO EXHIBIT R (BACKGROUND RESOURCES: CALIFORNIA CHARITIES REGULATION).

Exhibit R (Background Resources: California Charities Regulation) to the Agreement is hereby amended by deleting it in its entirety and replacing it with the revised Exhibit R (Background Resources: California Charities Regulation), each page dated March 31, 2015, which is attached hereto as Attachment 5 (Exhibit R (Background Resources: California Charities Regulation)) and incorporated herein by reference.

8. AMENDMENT NUMBER THREE EFFECTIVE DATE.

This Amendment Number Three is effective upon approval and execution by the Board of Supervisors.

9. INCORPORATION OF 'WHEREAS' CLAUSES.

Contractor and County agree that the "Whereas" clauses in this Amendment Number Three are hereby incorporated into this Amendment Number Three as though fully set forth hereat.

10. OTHER AGREEMENT PROVISIONS.

Except as expressly provided in this Amendment Number Three, all other terms and conditions of the Agreement shall remain in full force and effect.

11. AUTHORITY.

Contractor and the person executing this Amendment Number Three on behalf of Contractor hereby represent and warrant that the person executing this Amendment Number Three for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

12. ARM'S LENGTH NEGOTIATIONS.

This Amendment Number Three is the product of arm's length negotiation between Contractor and County. Each party has had at all times the opportunity to receive advice from independent counsel of its own choosing. This Amendment Number Three is to be interpreted

fairly as between the parties, and not strictly construed as against either party as drafter or creator.

13. ENTIRE AGREEMENT.

This Amendment Number Three together with the Agreement and exhibits and attachments hereto and thereto and Change Notice Numbers One through Forty constitutes the entire agreement of County and Contractor as of the date of approval of this Amendment Number Three by County's Board of Supervisors, superseding any and all prior understandings, arrangements and agreements between County and Contractor, whether oral or written, in respect of the terms and conditions hereof.

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AMENDMENT NUMBER THREE TO COUNTY AGREEMENT NO. 77676
BY AND BETWEEN COUNTY OF LOS ANGELES
AND
NETSMART TECHNOLOGIES, INC.
FOR THE PROVISION OF THE INTEGRATED BEHAVIORAL HEALTH INFORMATION SYSTEM (IBHIS)

IN WITNESS WHEREOF, the County of Los Angeles Board of Supervisors has caused this Amendment Number Three to County Agreement Number 77676 to be subscribed by County's Director of Mental Health, and Contractor has caused this Amendment Number Three to be subscribed on its behalf by its duly authorized officer, this _____ day of _____, 2015.

COUNTY OF LOS ANGELES

By:_____
Marvin J. Southard, D.S.W., Director
Department of Mental Health

CONTRACTOR

NETSMART TECHNOLOGIES, INC.

By: _____
Signature

Joe McGovern
Print Name

Executive Vice President
Title

ATTEST:

PATRIC OGAWA
Acting Executive Officer
Of the Board of Supervisors

By_____

APPROVED AS TO FORM:

MARK J. SALADINO
County Counsel

By:_____
Patrice Salseda
Senior Deputy County Counsel

AMENDMENT NUMBER THREE TO
AGREEMENT NUMBER 77676

ATTACHMENT 1

Exhibit C (Price and Schedule of Payments) -
(Replaced in its entirety by revised Exhibit C
Under Amendment Number Three of Agreement)

EXHIBIT C

PRICE AND SCHEDULE OF PAYMENTS

Contractor will be paid on a fixed-price basis for completed and accepted Deliverables as set forth below. Each Deliverable is subject to a thirty percent (30%) Holdback Amount as set forth in Paragraph 8.4 (Holdbacks) of this Agreement unless otherwise noted.

I. DELIVERABLES

DELIVERABLE DESCRIPTION	DELIVERABLE AMOUNT (1)	PAYMENT AMOUNT DUE UPON DELIVERABLE ACCEPTANCE	30% HOLDBACK AMOUNT UNTIL FINAL SYSTEM ACCEPTANCE
Deliverable 1.1 - Project Planning (30)	$40,200	$40,200	
Deliverable 1.2 - Contractor Staff (30)	$153,360	$153,360	
Deliverable 1.3 - Detailed Work Plan (30)	$95,322	$95,322	
Deliverable 2.0 - Project Status Reports M1 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M2 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M3 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M4 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M5 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M6 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M7 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M8 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M9 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M10 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M11 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M12 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M13 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M14 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M15 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M16 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M17 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M18 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M19 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M20 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M21 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M22 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M23 (30)	$47,089	$47,089	
Deliverable 2.0 - Project Status Reports M24 (30)	$47,089	$47,089	

EXHIBIT C

PRICE AND SCHEDULE OF PAYMENTS

DELIVERABLE DESCRIPTION	DELIVERABLE AMOUNT [1]	PAYMENT AMOUNT DUE UPON DELIVERABLE ACCEPTANCE	30% HOLDBACK AMOUNT UNTIL FINAL SYSTEM ACCEPTANCE
Deliverable 3.1.1 - Prepare Data Center [5]	$55,493	$55,493	
Deliverable 3.1.2 - Provide Dedicated Network[12][5]	$180,084	$180,084	
Deliverable 3.1.3 - Provide System Administration Portal [5]	$437,326	$437,326	
Deliverable 3.1.4 - Confirm Hosting Environment is Established[13] [5]	$411,605	$411,605	
Deliverable 3.1.5 - Provide Monthly Hosting Services M4 [5]	$92,748	$92,748	
Deliverable 3.1.5 - Provide Monthly Hosting Services M5 [5]	$92,748	$92,748	
Deliverable 3.1.5 - Provide Monthly Hosting Services M6 [5]	$92,748	$92,748	
Deliverable 3.1.5 - Provide Monthly Hosting Services M7 [5]	$92,748	$92,748	
Deliverable 3.1.5 - Provide Monthly Hosting Services M8 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M9 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M10 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M11 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M12 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M13 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M14 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M15 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M16 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M17 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M18 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M19 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M20 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M21 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M22 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M23 [5]	$148,292	$148,292	
Deliverable 3.1.5 - Provide Monthly Hosting Services M24 [5]	$148,288	$148,288	
Deliverable 3.2 - Application Software Delivery	$9,281,967	$6,497,377	$2,784,590
Deliverable 3.2.1 - Early Project Development Environment [5]	$28,290	$28,290	
Deliverable 3.2.2 - Three Additional Project Development Environments [44] [5]	$75,051	$75,051	
Deliverable 3.3 - Load Baseline Application Software	$1,523,040	$1,165,804	$357,236
Deliverable 3.4 - Synchronize for Application and Database Replication [30]	$96,348	$96,348	

EXHIBIT C

PRICE AND SCHEDULE OF PAYMENTS

DELIVERABLE DESCRIPTION	DELIVERABLE AMOUNT [1]	PAYMENT AMOUNT DUE UPON DELIVERABLE ACCEPTANCE	30% HOLDBACK AMOUNT UNTIL FINAL SYSTEM ACCEPTANCE
Deliverable 4.1 - Training Plan [30]	$88,787	$88,787	
Deliverable 4.2 - Training [5]	$647,688	$647,688	
Deliverable 4.3 - Training Materials [5]	$259,440	$259,440	
Deliverable 5.0 - Configure System [30]	$3,990,938	$3,730,718	$260,220
Deliverable 6.1 - Integration [5][14][23][42]	$562,170	$562,170	
Deliverable 7.0 - Custom Programming Modifications[2][5][15][17][18][19][20][21][24][25][27][28][32][34][35][36][37][38][39][40][41][43][46][47]	$1,885,171	$1,885,171	
Deliverable 8.1 - System Test Plan	$123,799	$86,659	$37,140
Deliverable 8.2 - Module Tests	$847,152	$847,152	
Deliverable 8.3 - Reporting Tool Tests [30]	$212,400	$212,400	
Deliverable 8.4 - System Integration Test [5]	$101,280	$101,280	
Deliverable 8.5 - System Performance Test [5]	$116,604	$116,604	
Deliverable 9.1 - Data Conversion Plan [30]	$69,645	$69,645	
Deliverable 9.2 - Data Conversion Programs	$56,400	$39,480	$16,920
Deliverable 9.3 - Data Conversion Test [5]	$478,188	$478,188	
Deliverable 9.4 - Conversion [5]	$61,047	$61,047	
Deliverable 10.1 - System Cutover Plan[16][26][31]	$3,367,040	$3,347,384	$19,656
Deliverable 10.1.1 - Pilot 1 Production Use [5][30]	$0	$0	
Deliverable 10.2 - Pilot Tests[5][33]	$3,087,942	$3,087,942	
Deliverable 10.2.1 - Pilot Test System as Part of DMH Service Devliery for Directly Operated[48]	$0	$0	
Deliverable 10.3 - Final System Acceptance [3][5]			
Deliverable 11.1 - Close-Out Plan [2]			
Deliverable 11.2 - Data Files [2]			
Deliverable 11.3 - Claims Run-Out Services [2]			
Deliverable 11.4 - Audit Requests [2]			
AMENDMENT NUMBER TWO SUB-TOTAL	**$32,355,865**	**$28,880,103**	**$3,475,762**

EXHIBIT C

PRICE AND SCHEDULE OF PAYMENTS

DELIVERABLE DESCRIPTION	DELIVERABLE AMOUNT [1]	PAYMENT AMOUNT DUE UPON DELIVERABLE ACCEPTANCE	30% HOLDBACK AMOUNT UNTIL FINAL SYSTEM ACCEPTANCE
Deliverable 12.1 - Resource Plan for OrderConnect[7]	$2,268	$1,588	$680
Deliverable 12.2 - Update Detailed Work Plan for OrderConnect[7]	$2,722	$1,905	$817
Deliverable 13.1 - Delivery of OrderConnect and Documentation[7]	$1,512	$1,058	$454
Deliverable 14.1 - Training Plan for OrderConnect[7]	$4,494	$3,146	$1,348
Deliverable 14.2 - Training for OrderConnect[7]	$36,851	$25,796	$11,055
Deliverable 14.3 - Training Materials for OrderConnect[7]	$3,595	$2,516	$1,079
Deliverable 15.0 - Configure OrderConnect[7]	$4,536	$3,175	$1,361
Deliverable 16.1 - Provide BackChannel File Interface (Data Warehouse)[7]	$32,700	$22,890	$9,810
Deliverable 16.2 - Provide BackChannel File Interface (System) for OrderConnect[7] [10]	[10]	[10]	
Deliverable 16.3 - Provide InfoChannel File Interface (from County) for OrderConnect[7]	$39,000	$27,300	$11,700
Deliverable 16.4 - Provide InfoChannel File Interface (System) for OrderConnect[7][10]	[10]	[10]	
Deliverable 17.0 - Custom Programming Modifications[7]	$34,848	$24,394	$10,454
Deliverable 18.1- System Test Plan for OrderConnect[7]	$2,268	$1,588	$680
Deliverable 18.2 - Module Tests for OrderConnect[7]	$5,686	$3,980	$1,706
Deliverable 19.1 - Data Conversion Plan for OrderConnect[7]	$12,384	$8,669	$3,715
Deliverable 19.2 - Data Conversion Test for OrderConnect[7]	$20,640	$14,448	$6,192
Deliverable 20.1 - Cutover Plan for OrderConnect[7]	$10,656	$7,459	$3,197
Deliverable 20.2 - Pilot for OrderConnect[7]	$16,000	$11,200	$4,800
Deliverable 20.3 - Final Acceptance of OrderConnect[7][9]	[9]	[9]	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M17[5][7][8]	$16,393	$16,393	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M18[5][7][8]	$16,393	$16,393	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M19[5][7][8]	$16,393	$16,393	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M20[5][7][8]	$16,884	$16,884	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M21[5][7][8]	$16,884	$16,884	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M22[5][7][8]	$16,884	$16,884	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M23[5][7][8]	$16,884	$16,884	
Deliverable 20.3.1 - Provide Monthly OrderConnect Services M24[5][7][8]	$16,884	$16,884	
CHANGE NOTICE NUMBER THREE FOR THE ORDERCONNECT MODULE SUB-TOTAL	**$363,759**	**$294,711**	**$69,048**
AMENDMENT NUMBER TWO AND CHANGE NOTICE NUMBER THREE SUB-TOTAL	**$32,719,624**	**$29,174,814**	**$3,544,810**
CHANGE NOTICE NUMBER THIRTY-NINE SUB-TOTAL	**$0**	**$0**	**($3,044,810)**
TOTAL SCHEDULE OF PAYMENTS	**$32,719,624**	**$29,174,814**	**$500,000**

PRICE AND SCHEDULE OF PAYMENTS

II. CONTRACT SUM

Category	Total Cost
Implementation Services	$32,719,624
Fixed One-Time Set-Up Fee[4]	$3,504,428
Maintenance and Support Services	$32,336,862
Hosting Services [45]	$30,419,900
Contractor's On-Site Transitional Application Administrator [6][49]	$170,544
Peripheral Hardware[11][22]	$19,618
Pool Dollars[29][50]	$4,545,817
CONTRACT SUM	$103,716,793

[1] Deliverable amounts are inclusive of all applicable taxes pursuant to Paragraph 8.5 (Delivery of System Software; Taxes) of this Agreement.

[2] County shall make payment for this Deliverable as Other Professional Services out of Pool Dollars pursuant to Paragraph 4.5 (Other Professional Services) and will require the application of a form of Change Notice or an Amendment under Paragraph 6 (Change Notices and Amendments) of the Agreement.

[3] County shall release Holdback Amount and make payment for this Deliverable pursuant to Deliverable 10.3 (Final System Acceptance) of Exhibit A (Statement of Work).

[4] Fixed One-Time Set-up Fee will be due Contractor for the purchase of hardware, software, and software licenses for Contractor's Primary and Secondary Data Centers identified in Schedule D.6 (Schedule of Contractor's Primary and Secondary Data Center Hardware and Software for Hosting Services). Upon delivery of such equipment, Contractor shall submit to County a written inventory of hardware, software, and software licenses with corresponding County costs.

[5] Deliverable is not subject to thirty percent (30%) Holdback.

[6] Contractor shall provide on-site Transitional Application Administrator for Maintenance and Support Services for Years 1 and 2 pursuant to Deliverable 10.3 (Final System Acceptance) of Exhibit A (Statement of Work). Contractor shall invoice County on a monthly basis pursuant to Paragraph 8 (Invoices and Payments) of this Agreement.

[7] County acquired the OrderConnect module under Change Notice Number Three, dated June 29, 2012, pursuant to Paragraph 6.8 of the Agreement, and County will make payment for this Deliverable as Other Professional Services out of Pool Dollars pursuant to Paragraph 4.5 (Other Professional Services) of the Agreement.

[8] Notwithstanding any other provision of this Agreement, the OrderConnect module which is part of the Connect Suite is provided under a non-exclusive usage license fee and is not provided as a perpetual license. Monthly OrderConnect services costs are licensed for 250 prescribers and 250 non-prescribers for Years 1 through 5.

[9] County shall release Holdback Amount and make payment for this Deliverable pursuant to Deliverable 20.3 (Final Acceptance of OrderConnect) of Exhibit A (Statement of Work).

[10] Cost for this Deliverable is included in and will be paid pursuant to Deliverable 6.1 (Integration) to Exhibit A (Statement of Work).

[11] County acquired and previously made payment for Peripheral Hardware under Change Notice Number Two, dated May 10, 2012, pursuant to Section II (Contract Sum) of this Exhibit C.

[12] Upon the effective date of Change Notice Number Four, dated November 9, 2012, County will make payment for Deliverable 3.1.2 (Provide Dedicated Network) to Exhibit A (Statement of Work) pursuant to the completion date of February 28, 2013, as set forth in the revised Detailed Work Plan.

[13] Upon the effective date of Change Notice Number Four, dated November 9, 2012, County will make payment for this Deliverable pursuant to Deliverable 3.1.4 (Confirm Hosting Environment is Established) to Exhibit A (Statement of Work) and this Exhibit C.

[14] Upon the effective date of Change Notice Number Five, dated December 21, 2012, the cost for this Deliverable includes Other Professional Services for an Integration Professional in the amount of $169,920, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

[15] Upon the effective date of Change Notice Number Seven, dated February 21, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $60,024, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

[16] Upon the effective date of Change Notice Number Eight, dated March 29, 2013, the cost for this Deliverable includes Other Professional Services to establish a Central Billing Office in the amount of $680,220 [$75,000 for the base Documentation License and $605,220 for Other Professional Services], and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

[17] Upon the effective date of Change Notice Number Nine, dated April 2, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $16,675, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

PRICE AND SCHEDULE OF PAYMENTS

(18) Upon the effective date of Change Notice Number Ten, dated June 28, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $438,34 [($228,690 for the Enhanced Web Services License, which includes $39,690 for the first year annual Maintenance and Support Fee) and $209,656 for Other Professional Services], and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(19) Upon the effective date of Change Notice Number Eleven, dated August 15, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $18,288, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(20) Upon the effective date of Change Notice Number Twelve, dated August 16, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $17,600, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback. Change Notice Number Twelve is a cost-share agreement between Los Angeles County and San Francisco County. County's obligation under this Change Notice Number Twelve is $17,600.

(21) Upon the effective date of Change Notice Number Thirteen, dated August 16, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $23,526, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(22) County acquired and made payment for Peripheral Hardware under Change Notice Number Fourteen, dated August 16, 2013, pursuant to Paragraph 6.9 of Agreement and Section II (Contract Sum) of this Exhibit C.

(23) Upon the effective date of Change Notice Number Fifteen, dated August 16, 2012, the cost for this Deliverable includes Other Professional Services for an Integration Professional in the amount of $164,280, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(24) Upon the effective date of Change Notice Number Sixteen, dated August 16, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $25,479, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(25) Upon the effective date of Change Notice Number Seventeen, dated August 16, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $36,138, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(26) Upon the effective date of Change Notice Number Nineteen, dated November 20, 2013, the cost for this Deliverable includes Other Professional Services to provide transitional services for a Central Billing Office and a Provider Services Office in the amount of $445,820, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(27) Upon the effective date of Change Notice Number Twenty, dated November 20, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $38,431, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(28) Upon the effective date of Change Notice Number Twenty-One, dated November 20, 2013, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $63,462, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(29) Upon the Effective Date of Amendment Number Two, dated December 17, 2013, $6,000,000 in Pool Dollars was allocated for County-requested Other Professional Services/Change Notices in accordance with Paragraph 4.5 (Other Professional Services) and Paragraph 6 (Change Notices and Amendments).

(30) Upon the Effective Date of Amendment Number Two, dated December 17, 2013, $1,856,750 in Holdback Amount was reallocated for a new Deliverable 10.1.1 (Pilot 1 Production Use) to allow a $1,856,750 payment upon first Production Use, with the remainder of the original Holdback Amount paid at Final System Acceptance.

(31) Upon the effective date of Change Notice Number Twenty-Two, dated December 27, 2013, the cost for this Deliverable includes Other Professional Services to provide additional transitional operational services in the amount of $2,175,480, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(32) Upon the effective date of Change Notice Number Twenty-Three, dated February 05, 2014, Contractor shall modify the Avatar Application Software identified in Change Notice Number Twenty-Three, at no additional cost to County, pursuant to the requirements in Attachment B.1 (Functional Requirements) of Exhibit B (Technical Solution Requirements) of the Agreement.

(33) Upon the effective date of Change Notice Number Twenty-Four, dated March 03, 2014, the cost for this Deliverable includes Other Professional Services to provide temporary staffing to support IBHIS Roll-Outs in the amount of $2,124,640, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(34) Upon the effective date of Change Notice Number Twenty-Five, dated April 17, 2014, Contractor shall modify the Avatar Application Software identified in Change Notice Number Twenty-Five, at no additional cost to County, pursuant to the requirement in Attachment B.1 (Functional Requirements) of Exhibit B (Technical Solution Requirements) of the Agreement.

(35) Upon the effective date of Change Notice Number Twenty-Six, dated May 12, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $88,694, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

PRICE AND SCHEDULE OF PAYMENTS

(36) Upon the effective date of Change Notice Number Twenty-Seven, dated July 10, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $328,035, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(37) Upon the effective date of Change Notice Number Twenty-Eight, dated July 10, 2014, the cost for this Deliverable includes Other Professional Services to provide up to four (4) temporary claims certification staff, in addition to the programming and project support staff, to assist in the IBHIS Contract Provider Claims Certification in the amount of $468,456, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(38) Upon the effective date of Change Notice Number Thirty, dated September 30, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $24,698, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(39) Upon the effective date of Change Notice Number Thirty-One, dated September 30, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $26,984, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(40) Upon the effective date of Change Notice Number Thirty-Two, dated October 8, 2014, Contractor shall modify the Avatar Application Software identified in Change Notice Number Thirty-Two, at no additional cost to County, pursuant to the requirement in Attachment B.1 (Functional Requirements) of Exhibit B (Technical Solution Requirements) of the Agreement.

(41) Upon the effective date of Change Notice Number Thirty-Three, dated October 8, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $34,221, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(42) Upon the effective date of Change Notice Number Thirty-Four, dated October 8, 2014, County has requested, and Contractor has agreed to defer Contractor's development of the Checkwrite File Interface pursuant to Task 6.1.1 (Develop Checkwrite File Interface) and Attachment A.1 (Auditor-Controller eCAPS Interfaces) and the Credentialing Interfaces pursuant to Task 6.1.3 (Develop Credentialing Interfaces) to Exhibit A (Statement of Work) of the Agreement. The development of such Interfaces will be completed at a later date at County's sole discretion.

(43) Upon the effective date of Change Notice Number Thirty-Five, dated October 8, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $33,842, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(44) Upon the effective date of Change Notice Number Thirty-Six, dated October 8, 2014, the cost for this Deliverable includes Other Professional Services to perform infrastructure Updates to the existing Hosting Environment in the amount of $75,051, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(45) Upon the effective date of Change Notice Number Thirty-Six, dated October 8, 2014, 2014, the Monthly Hosting Services Fee of $6,450, set forth in Schedule D.3 (Hosting Services Fee Schedule) to Exhibit D (Service Level Requirements,) shall commence only after month 8th of Year 1 and continue through Years 2 -5 for a Maximum Total of $335,400, and County will make payment for such Hosting Services out of Pool Dollars pursuant to Paragraph 6.3 of the Agreement.

(46) Upon the effective date of Change Notice Number Thirty-Seven, dated October 8, 2014, Contractor shall modify the Avatar Application Software identified in Change Notice Number Thirty-Seven, at no additional cost to County, pursuant to the requirement in Attachment B.1 (Functional Requirements) of Exhibit B (Technical Solution Requirements) of the Agreement.

(47) Upon the effective date of Change Notice Number Thirty-Eight, dated October 8, 2014, the cost for this Deliverable includes Other Professional Services for Custom Programming Modifications in the amount of $142,242, and County will make payment for such Other Professional Services out of Pool Dollars pursuant to Paragraphs 6.4 and 4.5 (Other Professional Services) of the Agreement. The cost for Other Professional Services is not subject to thirty percent (30%) Holdback.

(48) Upon the effective date of Change Notice Number Thirty-Nine, dated December 19, 2014, County will make payment to Contractor for this new Deliverable in the amount $3,044,810, originally tied to Final System Acceptance, for DMH Directly Operated functionality.

(49) Upon the effective date of Change Notice Number Thirty-Nine, dated December 19, 2014, Contractor shall provide on-site Transitional Application Administrator for Maintenance and Support Services pursuant to Task 10.2.1 (Pilot test System Mental Health Service Delivery Under Change Notice Number Thirty-Nine) of Exhibit A (Statement of Work) of the Agreement.

(50) Upon the Effective Date of Amendment Number Three, dated March 31, 2015, $4,400,000 in Pool Dollars was allocated for County-requested Other Professional Services/Change Notices in accordance with Paragraph 4.5 (Other Professional Services) and Paragraph 6 (Change Notices and Amendments).

AMENDMENT NUMBER THREE TO
AGREEMENT NUMBER 77676

ATTACHMENT 2

Exhibit O (Listing of Contractors Debarred in Los Angeles County) -
(Replaced in its entirety by revised Exhibit O
Under Amendment Number Three of Agreement)

EXHIBIT O

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

List of Debarred Contractors in Los Angeles County may be obtained by going to the following website.

http://doingbusiness.lacounty.gov/DebarmentList.htm

AMENDMENT NUMBER THREE TO
AGREEMENT NUMBER 77676

ATTACHMENT 3

Exhibit P (IRS Notice 1015) -
(Replaced in its entirety by revised Exhibit P
Under Amendment Number Three of Agreement)

EXHIBIT P

IRS NOTICE 1015
http://www.irs.gov/pub/irs-pdf/n1015.pdf

Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2013)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2013 are less than $51,567 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2014.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2013 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2013 and owes no tax but is eligible for a credit of $800, he or she must file a 2013 tax return to get the $800 refund.

Notice 1015 (Rev. 12-2013)
Cat. No. 20599I

AMENDMENT NUMBER THREE TO
AGREEMENT NUMBER 77676

ATTACHMENT 4

Exhibit Q (Determinations of Contractor Non-Responsibility and Contractor Debarment) -
(Replaced in its entirety by revised Exhibit Q
Under Amendment Number Three of Agreement)

EXHIBIT Q

Title 2 ADMINISTRATION
DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY AND CONTRACTOR DEBARMENT

2.202.010 Findings and declaration.

2.202.020 Definitions.

2.202.030 Determination of contractor non-responsibility.

2.202.040 Debarment of contractors.

2.202.050 Pre-emption.

2.202.060 Severability.

2.202.010 - Findings and declarations.

A. The board of supervisors finds that, in order to promote integrity in the county's contracting processes and to protect the public interest, the county's policy shall be to conduct business only with responsible contractors. The board of supervisors further finds that debarment is to be imposed only in the public interest for the county's protection and not for the purpose of punishment.

B. Determinations of contractor non-responsibility and contractor debarment shall be made in accordance with the procedures set forth in the ordinance codified in this chapter and implementation instructions issued by the Internal Services Department.

(Ord. 2014-0035 § 1, 2014: Ord. 2005-0066 § 1, 2005: Ord. 2000-0011 § 1 (part), 2000.)

2.202.020 - Definitions.

For purposes of this chapter, the following definitions apply:

A. "Contractor" means a person, partnership, corporation, or other entity who has contracted with, or is seeking to contract with, the county or a nonprofit corporation created by the county to provide goods to, or perform services for or on behalf of, the county or a nonprofit corporation created by the county. A contractor includes a contractor, subcontractor, vendor, or any of their respective officers, directors, owners, co-owners, shareholders, partners, managers, employees, or other individuals associated with the contractor, subcontractor, or vendor who participated in, knew of, or should reasonably have known of conduct that results in a finding of non-responsibility or debarment.

B. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county or a nonprofit corporation created by the county.

C. "Debarment" means an action taken by the county which results in a contractor being prohibited from bidding or proposing on, being awarded and/or performing work on a contract with the county. A contractor who has been determined by the county to be subject to such a prohibition is "debarred."

D. "Department head" means either the head of a department responsible for administering a particular contract for the county or the designee of same.

E. "County" means the county of Los Angeles, any public entities for which the board of supervisors is the governing body, and any joint powers authorities of which the county is a member that have adopted county contracting procedures.

F. "Contractor hearing board" means the persons designated to preside over contractor

debarment hearings and make recommendations on debarment to the board of supervisors.

G. Determination of "non-responsibility" means an action taken by the county which results in a contractor who submitted a bid or proposal on a particular contract being prohibited from being awarded and/or performing work on that contract. A contractor who has been determined by the county to be subject to such a prohibition is "non-responsible" for purposes of that particular contract.

H. "Bid or proposal" means a bid, proposal, or any other response to a solicitation submitted by or on behalf of a contractor seeking an award of a contract.

(Ord. 2014-0035 § 2, 2014: Ord. 2005-0066 § 2, 2005: Ord. 2004-0009 § 1, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.030 - Determination of contractor non-responsibility.

A. Prior to a contract being awarded by the county, the county may determine that a contractor submitting a bid or proposal is non-responsible for purposes of that contract. In the event that the county determines that a contractor is non-responsible for a particular contract, said contractor shall be prohibited from being awarded and/or performing work on that contract.

B. The county may declare a contractor to be non-responsible for purposes of a particular contract if the county, in its discretion, finds that the contractor has done any of the following: (1) violated a term of a contract with the county or a nonprofit corporation created by the county; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the county, any other public entity, or a nonprofit corporation created by the county, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.

C. The decision by the county to find a contractor non-responsible for a particular contract is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection 2.202.040 (E) below, may be considered by the county in determining whether a contractor should be deemed non-responsible.

D. Before making a determination of non-responsibility pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed non-responsibility determination, and shall advise the contractor that a non-responsibility hearing will be scheduled on a date certain. Thereafter, the department head shall conduct a hearing where evidence on the proposed non-responsibility determination is presented. The contractor and/or attorney or other authorized representative of the contractor shall be afforded an opportunity to appear at the non-responsibility hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence. After such hearing, the department head shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be found non-responsible with respect to the contract(s) at issue. A record of the hearing, the proposed decision, and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the department head. A non-responsibility finding shall become final upon approval by the board of supervisors.

(Ord. 2005-0066 § 3, 2005: Ord. 2004-0009 § 2, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.040 - Debarment of contractors.

A. The county may debar a contractor who has had a contract with the county in the preceding three years and/or a contractor who has submitted a bid or proposal for a new contract with the county.

B. The county may debar a contractor if the county finds, in its discretion, that the contractor has done any of the following: (1) violated a term of a contract with the county or a nonprofit corporation created by the county; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the county, any other public entity, or a nonprofit corporation created by the county, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.

C. The decision by the county to debar a contractor is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection (E) below, may be considered by the county in determining whether to debar a contractor and the period of debarment. Generally, the period of debarment should not exceed five years. However, if circumstances warrant, the county may impose a longer period of debarment up to and including permanent debarment.

D. To impose a debarment period of longer than five years, and up to and including permanent debarment, in addition to the grounds described in Subsection (B) above, the county shall further find that the contractor's acts or omissions are of such an extremely serious nature that removal of the contractor from future county contracting opportunities for the specified period is necessary to protect the county's interests.

E. Mitigating and aggravating factors that the county may consider in determining whether to debar a contractor and the period of debarment include but are not limited to:

(1) The actual or potential harm or impact that results or may result from the wrongdoing.

(2) The frequency and/or number of incidents and/or duration of the wrongdoing.

(3) Whether there is a pattern or prior history of wrongdoing.

(4) A contractor's overall performance record. For example, the county may evaluate the contractor's activity cited as the basis for the debarment in the broader context of the contractor's overall performance history.

(5) Whether a contractor is or has been debarred, found non-responsible, or disqualified by another public entity on a basis of conduct similar to one or more of the grounds for debarment specified in this Section.

(6) Whether a contractor's wrongdoing was intentional or inadvertent. For example, the county may consider whether and to what extent a contractor planned, initiated, or carried out the wrongdoing.

(7) Whether a contractor has accepted responsibility for the wrongdoing and recognizes the seriousness of the misconduct that led to the grounds for debarment and/or has taken corrective action to cure the wrongdoing, such as establishing ethics training and implementing programs to prevent recurrence.

(8) Whether and to what extent a contractor has paid or agreed to pay criminal, civil, and administrative liabilities for the improper activity, and to what extent, if any, has the contractor made or agreed to make restitution.

(9) Whether a contractor has cooperated fully with the county during the investigation, and any court or administrative action. In determining the extent of cooperation, the county may consider when the cooperation began and whether the contractor disclosed all pertinent information known to the contractor.

(10) Whether the wrongdoing was pervasive within a contractor's organization.

(11) The positions held by the individuals involved in the wrongdoing.

(12) Whether a contractor participated in, knew of, or tolerated the offense.

(13) Whether a contractor brought the activity cited as a basis for the debarment to the attention of the county in a timely manner.

(14) Whether a contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the county.

(15) Whether a contractor had effective standards of conduct and internal control systems in place at the time the questioned conduct occurred.

(16) Whether a contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes the cause for debarment.

(17) Other factors that are appropriate to the circumstances of a particular case.

(Ord. 2014-0035 § 4, 2014: Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

F. Before making a debarment determination pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed debarment, and shall advise the contractor that a debarment hearing will be scheduled on a date certain. The contractor hearing board shall conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or attorney or other authorized representative must be given an opportunity to appear at the debarment hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence at that hearing. After such hearing, the contractor hearing board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred and, if so, the appropriate length of time for the debarment. A record of the hearing, the proposed decision, and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A debarment finding shall become final upon the approval of the board of supervisors.

G. In making a debarment determination, the board of supervisors may also, in its discretion and consistent with the terms of any existing contracts that the contractor may have with the county, terminate any or all such existing contracts. In the event that any existing contract is terminated by the board of supervisors, the county shall maintain the right to pursue all other rights and remedies provided by the contract and/or applicable law.

H. With respect to a contractor who has been debarred for a period longer than five years, the contractor may, after the debarment has been in effect for at least five years, request that the county review the debarment determination to reduce the period of debarment or terminate the debarment. The county may consider a contractor's request to review a debarment determination based upon the following circumstances: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the county. A request for review shall be in

writing, supported by documentary evidence, and submitted to the chair of the contractor hearing board. The chair of the contractor hearing board may either: 1) determine that the written request is insufficient on its face and deny the contractor's request for review; or (2) schedule the matter for consideration by the contractor hearing board which shall hold a hearing to consider the contractor's request for review, and, after the hearing, prepare a proposed decision and a recommendation to be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A reduction of the period of the debarment or termination of the debarment shall become final upon the approval of the board of supervisors. (Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.050 - Pre-emption.

In the event any contract is subject to federal and/or state laws that are inconsistent with the terms of the ordinance codified in this chapter, such laws shall control.

(Ord. 2000-0011 § 1 (part), 2000.)

2.202.060 - Severability.

If any section, subsection, subpart or provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of this chapter and the application of such to other persons or circumstances shall not be affected thereby.

(Ord. 2000-0011 § 1 (part), 2000.)

AMENDMENT NUMBER THREE TO
AGREEMENT NUMBER 77676

ATTACHMENT 5

Exhibit R (Background Resources: California Charities Regulation) -
(Replaced in its entirety by revised Exhibit R
Under Amendment Number Three of Agreement)

EXHIBIT R

BACKGROUND AND RESOURCES: CALIFORNIA CHARITIES REGULATION

There is a keen public interest in preventing misuse of charitable contributions. California's "Supervision of Trustees and Fundraisers for Charitable Purposes Act" regulates those raising and receiving charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) tightened Charitable Purposes Act requirements for charitable organization administration and fundraising.

The Charitable Purposes Act rules cover California public benefit corporations, unincorporated associations, and trustee entities. They may include similar foreign corporations doing business or holding property in California. Generally, an organization is subject to the registration and reporting requirements of the Charitable Purposes Act if it is a California nonprofit public benefit corporation or is tax exempt under Internal Revenue Code § 501(c)(3), and not exempt from reporting under Government Code § 12583. Most educational institutions, hospitals, cemeteries, and religious organizations are exempt from Supervision of Trustees Act requirements.

Key new Charitable Purposes Act requirements affect executive compensation, fund-raising practices and documentation. Charities with over $2 million of revenues (excluding grants and service-contract funds a governmental entity requires to be accounted for) have new audit requirements. Charities required to have audits must also establish an audit committee whose members have no material financial interest in any entity doing business with the charity.

Organizations or persons that receive or raise charitable contributions are likely to be subject to the Charitable Purposes Act. A Proposer on Los Angeles County contracts must determine if it is subject to the Charitable Purposes Act and certify either that:

- It is not presently subject to the Act, but will comply if later activities make it subject, or,
- If subject, it is currently in compliance.

RESOURCES

The following references to resources are offered to assist Proposers who engage in charitable contributions activities. Each Proposer, however, is ultimately responsible to research and determine its own legal obligations and properly complete its compliance certification form.

In California, supervision of charities is the responsibility of the Attorney General, whose website, **http://oag.ca.gov/** contains much information helpful to regulated charitable organizations.

1. LAWS AFFECTING NONPROFITS

The "Supervision of Trustees and Fundraisers for Charitable Purposes Act" is found at California Government Code §§ 12580 through 12599.7. Implementing regulations are found at Title 11, California Code of Regulations, §§ 300 through 312. In California, charitable solicitations ("advertising") are governed by Business & Professions Code §§ 17510 through 17510.95. Regulation of nonprofit corporations is found at Title 11, California Code of Regulations, §§ 999.1 through 999.5. (Amended regulations are pending.) Links to all of these rules are at: **http://oag.ca.gov/charities/laws**

2. SUPPORT FOR NONPROFIT ORGANIZATIONS

Several organizations offer both complimentary and fee-based assistance to nonprofits, including in Los Angeles, the Center for Nonprofit Management, 606 S. Olive St #2450, Los Angeles, CA 90014 (213) 623-7080 **http://www.cnmsocal.org/.**, and statewide, the California Association of Nonprofits, **http://www.calnonprofits.org/.** Both organizations' websites offer information about how to establish and manage a charitable organization.

The above information, including the organizations listed, provided under this sub-section of this Exhibit R is for informational purposes only. Nothing contained in this sub-section shall be construed as an endorsement by the County of Los Angeles of such organizations.