



COUNTYWIDE CRIMINAL JUSTICE COORDINATION COMMITTEE



SUPERVISOR MARK RIDLEY-THOMAS • CHAIRMAN
SHERIFF LEROY BACA • VICE-CHAIR
MARK DELGADO • EXECUTIVE DIRECTOR

500 WEST TEMPLE STREET, ROOM 520
LOS ANGELES, CA 90012
(213) 974-8398

August 13, 2013

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 AUGUST 13, 2013

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

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE THE CONTRACT AGREEMENT BETWEEN THE CALIFORNIA
DEPARTMENT OF CORRECTIONS AND REHABILITATION AND THE COUNTYWIDE
CRIMINAL JUSTICE COORDINATION COMMITTEE (CCJCC) IN THE AMOUNT OF
\$1,000,000 FOR TWO YEARS (\$500,000 PER YEAR) TO PROVIDE CONTINUED
SERVICES FOR THE WOMEN'S REENTRY COURT PROGRAM
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

The California Department of Corrections and Rehabilitation (CDCR) has extended funding for Los Angeles County's Women's Reentry Court (WRC) program for an additional two-year period: July 1, 2013 through June 30, 2015. The Countywide Criminal Justice Coordination Committee (CCJCC) recommends approval of the CDCR agreement and acceptance of funding to allow for continued implementation of the program.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Executive Director of CCJCC to sign the attached agreement with CDCR (Attachment A) and accept funding for residential treatment services for up to 27 parolees per year in the WRC Program. Total funding for the two-year grant period (July 1, 2013 to June 30, 2015) is \$1 million, or \$500,000 per year, and includes funding for CCJCC and Department of Public Health (DPH) administrative overhead costs.
2. Delegate authority to the Executive Director of CCJCC to serve as Project Director of the CDCR agreement and to execute any necessary amendments to the agreement that permit the rollover of unspent funds, increase or decrease the funding amount, and/or extend the terms of the agreement subject to review and

approval by County Counsel and notification of your Board and the Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Los Angeles County Women's Reentry Court (WRC) program began in May 2007. The program is an innovative alternative to custody program for female parolees and probationers facing a new felony charge. The goals of the program are to reduce recidivism and support successful community reintegration among women offenders who suffer from multiple issues, including mental illness, substance abuse and extensive trauma histories. The volunteer program provides access to intensive treatment services, case management, and employment support in lieu of incarceration.

WRC serves 57 female parolees and felony probationers per year (approximately 27 parolees and 30 probationers). Eligible participants are parolees or probationers who have picked up a new, non-violent felony charge and face an imminent prison sentence. In lieu of custody, WRC offers participants up to six months of residential treatment followed by six months of outpatient counseling and ongoing support in the community. Individualized and gender-specific treatment plans include substance abuse treatment; mental health services; healthcare; housing support; employment and vocational services; parenting and life skills training; child reunification; and domestic violence counseling. The program also allows for children of the participants to reside with them while they are in residential treatment.

WRC was previously funded by a two-year, \$1 million agreement with CDCR that expired June 30, 2013. CDCR has agreed to provide an additional two years of funding for the program as outlined in the attached agreement (Attachment A). This agreement, reviewed by County Counsel, is fully consistent with the current operation of the program. The agreement – which was finalized by CDCR and provided to CCJCC at the end of June – continues the previous funding amount of \$500,000 per year and runs from July 1, 2013 to June 30, 2015. This grant funds the provision of six months of residential treatment services to parolees in the program.

The recommended Board actions would authorize the acceptance of CDCR grant funding for Fiscal Year 2013-2014 and Fiscal Year 2014-2015. Approval of the CDCR agreement would allow CCJCC to accept funding from CDCR to continue providing services to parolee participants in the WRC program.

The treatment provider for WRC is Prototypes, Centers for Innovation in Health, Mental Health, and Social Services, which is contracted with the Department of Public Health (DPH) to provide treatment services.

Prototypes maintains an extensive case management system. Their client files contain comprehensive case management notes, bio-psychosocial assessments, treatment plans, and documentation of treatment progress. The files also include medical notes,

mental health notes, and psychiatric notes when applicable. Finally, case files contain notes related to the progress of any children that the participants may have.

DPH submitted a separate Board Letter seeking approval for a contract with Prototypes to provide treatment services under the new CDCR agreement, among other issues. The Board approved this request on June 4, 2013.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County's Strategic Plan Goal 5, Public Safety, Goal 4, Health and Mental Health, and Goal 2, Children, Family and Adult Well-Being.

FISCAL IMPACT/FINANCING

The recommended actions result in revenue of \$1 million over two years from CDCR that will fund treatment services for parolee participants in the WRC. Of this amount, \$894,340 will be allocated to Prototypes (\$447,170 in FY 2013-14 and \$447,170 in FY 2014-15) via their contract with DPH. CCJCC and DPH will split evenly the remaining funding to cover administrative overhead costs: a total of \$52,830 in year one and \$52,830 in year two.

There is no net County cost with this action. Funding for this grant is included in the Fiscal Year 2013-14 budget.

CONTRACTING PROCESS

On June 4, 2013, your Board approved the Director of DPH to execute an amendment to Contract Number H-801596 with Prototypes for the continued provision of residential treatment services for women enrolled in the Los Angeles County WRC program. The daily bed rate under this contract is \$90.75 for comprehensive treatment services.

Prototypes was initially selected for its existing residential treatment services through a competitive bid process. CCJCC will partner with DPH to utilize this existing contract for services funded by this agreement. DPH will continue to administer the agreement with Prototypes.

IMPACT ON CURRENT SERVICES

The CDCR agreement and additional two years of funding from CDCR will allow WRC to continue operating at its current capacity and to continue providing evidence-based treatment services to eligible women offenders and their children.

A preliminary evaluation of the program was completed in 2011 by UCLA Integrated Substance Abuse Programs (UCLA-ISAP). UCLA-ISAP reported that the majority of participants receive services to help them deal with trauma (94%), anger management

(94%), HIV education (93%), relapse prevention (90%), parenting skills (83%), and individual psychotherapy sessions (76%).

UCLA-ISAP also found that women who participated in the program demonstrated a substantial reduction in Post Traumatic Stress Disorder (PTSD) diagnoses from initial assessment to their six-month mark (27% to 8%). In contrast, there was a six-month increase in PTSD diagnosis rates among a comparison group of women who had been incarcerated at CDCR's Valley State Prison for Women (VSPW) from 33% to 45%.

Though UCLA-ISAP also found that WRC participants were less likely to return to prison within two years than the VSPW comparison group, the sample sizes were not large enough to generate a statistically significant finding. Further evaluation is needed to assess the program's impact on return to custody rates. Implementing agencies are identifying funding options to support such a review.

CONCLUSION

Upon approval, please return two (2) copies of the adopted Board letter to Mark Delgado, Executive Director of the Countywide Criminal Justice Coordination Committee.

Respectfully submitted,



MARK DELGADO, Executive Director
Countywide Criminal Justice
Coordination Committee

MD:cm

Attachment

- c: William T Fujioka, Chief Executive Officer
- Jonathan E. Fielding, M.D., M.P.H., Director of Public Health and Health Officer,
Department of Public Health
- Sachi Hamai, Executive Officer, Board of Supervisors
- John Krattli, County Counsel
- Board of Supervisors Justice Deputies
- Board of Supervisors Health Deputies
- David Sommers, CEO Public Information Officer

DIVISION OF ADMINISTRATIVE SERVICES
OFFICE OF BUSINESS SERVICES
9838 Old Placerville Road, Suite B-2
Sacramento, CA 95827



June 20, 2013

Mark Delgado, Executive Director
Los Angeles Countywide Criminal Justice Coordination
500 West Temple Street, Room 520
Los Angeles, CA 90012

Dear Mr. Delgado:

AGREEMENT NUMBER: 5600003859
SERVICE: WOMEN'S RE-ENTRY COURT PROGRAM

Enclosed for your signature are the above-referenced Standard Agreements and related exhibits. **This agreement is not valid unless, and until, approved by the DGS, or under its authority, CDCR.** The State has no legal obligation, unless and until the agreement is approved. The State assumes no responsibility for any work commenced by the Contractor and will not reimburse the Contractor for any work performed prior to approval of the Agreement. When this Agreement is fully approved, an original will be forwarded to you. Please allow up to two months for approval.

Please have all items dated and signed with an **original signature** by an authorized representative.

Copies of the following document(s) must be returned to CDCR's OBS before this Agreement can be sent to DGS for approval.

Standard Agreement (STD 213)

Please submit three (3) copies with original signature to the following:

California Department of Corrections and Rehabilitation
Office of Business Services
9838 Old Placerville Road, Suite B-2
Sacramento, CA 95827

If the Agreement and other required document(s) are not returned by Thursday June 27, 2013, the Agreement may not be processed and may be cancelled.

If you have any questions or need assistance, do not hesitate to contact me at (916) 255-6159.

Sincerely,

A handwritten signature in black ink, appearing to read "Inez Navarrete".

Inez Navarrete
Contract Analyst
Headquarters Contract Unit #1
Contracts Management Branch

C13.047

AGREEMENT NUMBER 5600002312
REGISTRATION NUMBER eP1176670

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Department of Corrections and Rehabilitation

CONTRACTOR'S NAME

Los Angeles Countywide Criminal Justice Coordination Committee

2. The term of this Agreement is: July 1, 2013 through June 30, 2015



3. The maximum amount of this Agreement is: \$ 1,000,000.00
 One Million Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	8 page(s)
Exhibit B – Budget Detail and Payment Provisions	2 page(s)
Exhibit B-1 – Budget Proposal Worksheet for Per Diem/ Rate Sheet FY 13/14 and 14/15	3 page(s)
Exhibit C* – General Terms and Conditions	
Check mark one item below as Exhibit D:	
<input checked="" type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	14 page(s)
<input type="checkbox"/> Exhibit - D* Special Terms and Conditions	
Exhibit G – Business Associates Agreement (HIPAA)	15 page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
 These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Los Angeles Countywide Criminal Justice Coordination Committee		
BY (Authorized Signature) 	DATE SIGNED(Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Mark Delgado, Executive Director		
ADDRESS 500 West Temple Street Los Angeles, CA 90012 Phone: (213) 974-8398		
STATE OF CALIFORNIA		<input type="checkbox"/> Exempt per:
AGENCY NAME California Department of Corrections and Rehabilitation		
BY (Authorized Signature) 	DATE SIGNED(Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Bedeth Victorioso, Chief, Service Contracts Section		
ADDRESS 9838 Old Placerville Road, Ste B-2 Sacramento, CA 95827		

LOS ANGELES WOMEN'S REENTRY COURT PROGRAM

I. INTRODUCTION TO SERVICES

The Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC), a multi-agency, multi-jurisdictional committee that coordinates criminal justice matters, is the lead agency and will administer the Los Angeles Women's Reentry Court (WRC) program. The WRC program assesses the needs of eligible female offenders and develops a multi-agency service plan in coordination with the California Department of Corrections and Rehabilitation (CDCR) to oversee the delivery of appropriate gender-specific services to eligible female parolees in the program. Service delivery techniques are adapted to reflect an understanding of both gender and cultural diversity and to address existing service gaps. CCJCC shall facilitate ongoing collaboration with service networks to leverage the strengths of local agencies and partners, provide for long-term benefits to female offenders, and assist in increasing the probability of success upon community reintegration and improved public safety.

The Public Entity Agreement with CCJCC will include subcontracts with Prototypes. Prototypes is the treatment provider identified by Los Angeles County's Department of Public Health, Substance Abuse Prevention and Control, for residential treatment services through a competitive bidding process.

II. PROGRAM DESCRIPTION

The Women's Reentry Court program is a treatment diversion program for female offenders who are already on probation or parole for previous convictions and who are charged with a new, non-violent felony offense. The program diverts the participants from certain state prison sentences into the WRC.

The Women's Reentry Court adheres to evidence-based drug court principles. The program provides strict judicial supervision and six months of intensive residential wrap-around treatment services designed to address the specific needs of each participant. Services include substance abuse treatment, mental health services, housing, employment assistance, child reunification, domestic violence and trauma counseling, and other identified services.

III. CONTRACTOR RESPONSIBILITIES

- a. CCJCC shall provide overall coordination and management of the WRC program and agreement.
- b. CCJCC shall utilize the established multi-agency Women's Reentry Court Steering Committee to serve as the coordinating body for the WRC program.
- c. Ensure all parolee participants approved for participation are screened using the eligibility criteria and validated assessments established by CCJCC and the Women's Reentry Court Steering Committee.
- d. Through agreements and contracts with other agencies, CCJCC agrees to:
 1. Provide six (6) months of intensive, CDCR-funded, gender-specific residential treatment services to 13.5 parolee participants every six months for a total of 27 parolees per year diverted into the WRC program.¹
 2. Provide a minimum of six (6) months of additional outpatient treatment to each parolee participant following residential treatment.
 3. Ensure individualized treatment plans are developed and evidence-based services are provided for each participant. Those services will include substance abuse treatment, mental health services, domestic violence and trauma counseling, vocational and employment assistance, child reunification, parenting and life skills training, and other services as identified in the needs assessments.
 4. Ensure parolee participants, after completing residential treatment, are transitioned into the next appropriate level of care. Parolee participants may be transitioned into extended residential treatment, intensive outpatient or outpatient treatment modalities. Any treatment following the CDCR-funded residential treatment component will be funded by other sources.
 6. Ensure (to the extent feasible) gender-responsiveness and cultural competency of services provided to program participants.

¹ Twenty-seven residential treatment slots will be provided, and residential treatment will last at least six months. However, because it is possible some participants may be terminated from the program for violations or other cause, CCJCC cannot ensure that 27 parolees per year receive the full six months of residential treatment.

7. Ensure Contractor's Case Managers work closely with CDCR Parole Agents with WRC caseloads to serve participants and obtain program access for program participants.
 8. Ensure contracted Case Managers support CDCR Parole Agents who must maintain appropriate supervision of parolee participants.
 9. Ensure that CDCR Parole Agents are provided access to WRC parolee participants.
 10. Ensure all reports are provided as necessary and required by CDCR.
 11. Ensure that subcontractors utilized in this agreement are paid for services provided.
- e. CCJCC shall not utilize CDCR residential services funds to purchase real property, specifically real estate.
- f. CCJCC agrees to the following program participation guidelines:
1. Eligibility criteria include the following:
 - (A) Female offenders paroled from a CDCR institution under the jurisdiction of the Los Angeles Superior Court facing a new, non-violent felony charge.
 - (B) Must have legal residence in the County of Los Angeles.
 - (C) Female parolees referred to the WRC program shall have a minimum of six months remaining on parole.
 2. Participant requirements include the following:
 - (A) Female parolees must agree to participate a minimum of six months in the residential treatment component of the program.
 - (B) Female parolees must sign a memorandum of understanding (MOU) and agree to participate in the program as a condition of parole.
 3. Parolee participants that are terminated from treatment for non-compliance or pick up a new case shall be immediately referred back to the Court and CDCR will be immediately notified.
 4. If a parolee participant is terminated from the WRC Program, she may or may not be subject to a return to prison commitment on a new offense or as an internal violation. The Board of Parole Hearings (BPH) shall immediately be notified that the offender is no longer participating in the program.

5. Program participants may successfully exit the program at any time, upon the recommendation of the Parole Agent, the Contractor's Case Manager, and the Judicial Officer supervising the WRC.

IV. INVOICING PROCESS

- a. CCJCC shall review all invoices received from subcontractors for accuracy prior to forwarding to CDCR.
- b. Contractor shall verify monthly invoices for cost reimbursement for services provided to CDCR-funded parolee participants.
- c. CCJCC shall submit to CDCR copies of each subcontractor's invoice and all necessary documentation to support all requested reimbursement costs.
- d. An original copy of the monthly invoice shall be forwarded to the FOPS Program Manager for review and approval.

V. CDCR RESPONSIBILITIES

- a. The CDCR Division of Adult Parole Operations (DAPO) retains responsibility for the supervision of paroling WRC participants, their compliance with the law and their conditions of parole.
- b. DAPO will continue, to the extent possible, to assign a dedicated parole officer to supervise the parolees in the Women's Reentry Court.
- c. The CDCR Female Offender Programs and Services/Special Housing (FOPS) Unit will retain responsibility for contract monitoring and contract compliance.
- d. The FOPS Program Manager will review all invoices received and approve for payment all allowable services.
- e. CDCR shall refer female parolees to the WRC program.

VI. DATA COLLECTION

Within 30 days of contract execution, the contractor will be required to develop a system that is acceptable to CDCR to collect and report program and participant related data in an accurate and timely manner. The data will be used for reporting program progress and evaluating the program performance as well as for services coordination. The system must be compatible with CDCR data systems (e.g., MS Access, MS Excel, etc.). At a minimum, the program and participant data will include:

Participant Data:

The Contractor is required to develop a system for accurate and timely collection and reporting of all participant data consistent with the specific nature of each specific program.

1. CDCR number for all participants.
2. Demographic, socioeconomic and criminogenic² data on all program participants and potential participants on the program waiting list.
3. Names of all assessment instruments used and baseline data summarizing: the participant's level of criminality, education, vocational abilities, substance abuse history, self-sufficiency, and social competency at program admission.
4. Appropriate case management data designed for follow up of progress in receiving services, such as name of case manager(s), date case manager assigned, follow up dates, status on entry, and end of month status for ongoing treatments or terminations.
5. Date participant is assessed, referred, and shows up for service.
6. Program participation; daily, weekly, and monthly attendance records, hours of treatment(s) and outcome/performance measures specific to each program both on the individual and the cohort level, as appropriate.
7. Monthly follow-up data detailing participant progress specific to objectives and goals identified and services received. Length of follow-up will be based upon each grants specific goals, objectives, and predetermined time frames.
8. Program data on successful or unsuccessful discharge status upon release/transfer from program/facility.

Data requirements may be modified to accommodate comparisons between projects with similar treatment models.

² Criminogenic needs are those factors that, when addressed or changed, affect the offender's risk of recidivism. Examples of criminogenic needs are: criminal personality, antisocial attitudes, values and beliefs, low self control, criminal peers, substance abuse, and dysfunctional families.

VII. CONFIDENTIALITY OF DATA

For the purpose of identifying CDCR's confidential information and patentable inventions not covered by pre-existing patents, the Contractor shall submit a copy of all proposed publications, papers, and any other written disclosure of such data or information to CDCR at least thirty (30) days prior to submission for publication or disclosure to a third party. In the event CDCR determines its confidential information is disclosed in such data or information, CDCR shall immediately notify the Contractor and, publication or disclosure will be withheld for a period not to exceed thirty (30) days to remove the presence of the CDCR's confidential information. In the event CDCR determines patentable subject matter is disclosed in such data or information, it shall immediately notify the Contractor and, if the agency concurs, publication or disclosure will be withheld (a) for a period not to exceed ninety (90) days to permit preparation and filing of appropriate patent application(s), or (b) until a patent application thereon has been prepared and filed, or (c) until the agency and CDCR mutually agree in writing that not patent application(s) shall be prepared or filed, whichever of (a), (b) or (c) is earlier in time.

The Contractor has the right to publish or present data and publications that are not deemed to violate these confidentiality or patent issues.

VIII. Project Support

The Contractor shall report to the Associate Director of FOPS/SH of the Division of Adult Institutions or her/his designee. To the extent that CDCR staff is assigned or providing work on the specified projects, the CDCR will make this staff available to the Contractor for support and will provide other assistance as needed.

IX. Consultant Contractor's Rights and Obligations

The State hereby notifies the Contractor his or her duties, obligations and rights are contained in Public Contract Code Sections 10355 through 10382.

The Contract Managers for this Public Entity Agreement are:

Mark Delgado, Executive Director mdelgado@ccjcc.lacounty.gov	Kelly L. Winsor, AGPA Kelly.Winsor@cdcr.ca.gov
Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC)	California Department of Corrections and Rehabilitation
500 West Temple St, Rm. 520	Division of Adult Institutions
Los Angeles, CA 90012	Female Offender Programs and Services/Special Housing
(213) 974-8398 (phone)	1515 S Street, Room 344 North
(213)-613-2711 (fax)	Sacramento, CA 95811
	(916) 324-3707 (phone) (916) 323-2888 (fax)

X. CDCR Contact Information

Should questions or problems arise during the term of this Agreement, the Contractor should contact the following offices:

Billing/Payment Issues:
Headquarters Accounting/Accounts Payable Office

Phone Number: (916) 255-5466
FAX Number: (916) 255-5418

Scope of Work/Performance Issues:
Division of Adult Institutions, Female Offender Programs and Services/Special Housing
Contact Person: Kelly L. Winsor, AGPA
Phone Number: (916) 324-3707
FAX Number: (916) 323-2888

General Contract Issues:
Procurement and Contracts Branch, Office of Business Services

Inez Navarrete, AGPA
Phone Number: (916) 255-6159
FAX Number: (916) 255-6166

1. Invoicing and Payment

- a. For services satisfactorily rendered, and upon receipt and approval of Contractor's invoices, the State agrees to compensate the Contractor in accordance with the rates specified herein on Exhibit B-1 Rate Sheet, and/or the current Contractor's Published Rates, and made a part of this Agreement. Exhibit B-1 Rate Sheet shall remain in force for the stated term of this Agreement and shall include every item of expense, direct and indirect, including taxes incidental to the specified rates.
- b. Invoices shall include the Agreement Number, Purchase Order Number and shall be submitted in triplicate not more frequently than monthly in arrears to the address provided below.
- c. The Contractor also has the option to submit their invoices electronically to the appropriate email address listed below. The Contractor must use the name on the Agreement and the Agreement Number on the subject line of the email. The email must include an attached PDF file of the invoice, in accordance with the information above, and must reference the institution acronym and invoice number. Separate emails shall be sent for contracts with more than one participating institution, facility, office and/or site with the invoice information as stated above.

1) To submit invoices for all Headquarters contracts (DAPO, DAI, DRP, Legal, Office of Offender Services, etc):

California Department of Corrections and Rehabilitation (CDCR)
Sacramento Accounting Office
Attention: **Accounts Payable A**
P.O. Box 187015
Sacramento, CA 95818-7015

For electronic submission, send invoices to:
APAContractInvoice@cdcr.ca.gov

2. Budget Contingency Clause

- a. It is mutually agreed that if the California State Budget Act for the current fiscal year and/or any subsequent fiscal years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor, or to furnish any other considerations under this Agreement, and Contractor shall not be obligated to perform any provisions of this Agreement.
- b. If funding for the purposes of this program is reduced or deleted for any fiscal year by the California State Budget Act, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. Payment to small/micro businesses shall be made in accordance with and within the time specified in Chapter 4.5, Government Code 927 et seq.

4. Subcontractors

Nothing contained in this Agreement, or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of Contractor's responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

5. City/County Rate Increase

It is understood that the city/county may regulate some or all of the Contractor's rates for services. In the event the city/county increases the rates that directly affect the services provided in this Agreement, the Contractor may, once during the term of the Agreement, request from the State an increase in the rates stated in this Agreement. The Contractor must submit a written request to the State with a copy of the resolution from the city/county listing the prior rates and new rates and effective date of the new rates.

FISCAL YEAR 2013 - 2014

A. PERSONNEL*	No. of Positions	Monthly Salary	% of Project Time	No. of Months	Total
TOTAL PERSONNEL COSTS (A)					\$ 0
B. SUB-CONTRACTORS/CONSULTANTS COSTS (list firms and costs)					
*Prototypes – Treatment Provider -See Budget Proposal Worksheet					\$447,170
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)					\$447,170
C. OPERATING COSTS					\$ 0
TOTAL OPERATING COSTS (C)					\$ 0
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)					\$447,170
D. TOTAL INDIRECT COSTS					\$ 52,830
TOTAL BUDGET FOR FISCAL YEAR (2013/2014) (A+B+C+D)					\$500,000
TOTAL CONTRACT AMOUNT					\$1,000,000

FISCAL YEAR 2014-2015

A. PERSONNEL*	No. of Positions	Monthly Salary	% of Project Time	No. of Months	Total
TOTAL PERSONNEL COSTS (A)					\$ 0
B. SUB-CONTRACTORS/CONSULTANTS COSTS (list firms and costs)					
*Prototypes – Treatment Provider -See Budget Proposal Worksheet					\$447,170
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)					\$447,170
C. OPERATING COSTS					\$ 0
TOTAL OPERATING COSTS (C)					\$ 0
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)					\$447,170
D. TOTAL INDIRECT COSTS					\$ 52,830
TOTAL BUDGET FOR FISCAL YEAR (2014/2015) (A+B+C+D)					\$500,000
TOTAL CONTRACT AMOUNT					\$1,000,000

California Department of Corrections and
Rehabilitation (CDCR)

SPECIAL TERMS AND CONDITIONS FOR PUBLIC ENTITY AGREEMENTS

1. Contract Disputes with Public Entities (Supersedes provision number 6, Disputes, of Exhibit C)

As a condition precedent to Contractor's right to institute and pursue litigation or other legally available dispute resolution process, if any, Contractor agrees that all disputes and/or claims of Contractor arising under or related to the Agreement shall be resolved pursuant to the following processes. Contractor's failure to comply with said dispute resolution procedures shall constitute a failure to exhaust administrative remedies.

Pending the final resolution of any such disputes and/or claims, Contractor agrees to diligently proceed with the performance of the Agreement, including the delivering of goods or providing of services. Contractor's failure to diligently proceed shall constitute a material breach of the Agreement.

The Agreement shall be interpreted, administered, and enforced according to the laws of the State of California. The parties agree that any suit brought hereunder shall have venue in Sacramento, California, the parties hereby waiving any claim or defense that such venue is not convenient or proper.

A county, city, district or other local public body, state board or state commission, another state or federal agency, or joint-powers authority shall resolve a dispute with CDCR, if any, through a meeting of representatives from the entities affected. If the dispute cannot be resolved to the satisfaction of the parties, each entity may thereafter pursue its right to institute litigation or other dispute resolution process, if any, available under the laws of the State of California.

2. Confidentiality of Information

CDCR and Provider agree that all inmate/patient health information is identified as confidential and shall be held in trust and confidence and shall be used only for the purposes contemplated under this Agreement.

Provider by acceptance of this Agreement is subject to all of the requirements of the federal regulations implementing the Health Insurance Portability and Accountability Act of 1996 (Code of Federal Regulations (CFR), Title 45, Sections 164.501 et seq.); the California Government Code Section 11019.9; California Civil Code Sections 56 et seq.; and California Civil Code Sections 1798, et seq.; regarding the collections, maintenance, and disclosure of personal and confidential information about individuals. Attached as Exhibit "G" and incorporated herein is a Business Associate Agreement which memorializes the parties' duties and obligations with respect to the protection, use, and disclosure of protected health information.

3. Confidentiality of Data

All financial, statistical, personal, technical and other data and information relating to State's operation, which are designated confidential by the State and made available to carry out this Agreement, or which become available to the Contractor in order to carry out this Agreement, shall be protected by the Contractor from unauthorized use and disclosure.

California Department of Corrections and
Rehabilitation (CDCR)

SPECIAL TERMS AND CONDITIONS FOR PUBLIC ENTITY AGREEMENTS

If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used with the written consent of the State. The Contractor shall not be required under the provisions of this paragraph to keep confidential any data already rightfully in the Contractor's possession that is independently developed by the Contractor outside the scope of the Agreement or is rightfully obtained from third parties.

No reports, information, inventions, improvements, discoveries, or data obtained, repaired, assembled, or developed by the Contractor pursuant to this Agreement shall be released, published, or made available to any person (except to the State) without prior written approval from the State.

Contractor by acceptance of this Agreement is subject to all of the requirements of California Government Code Section 11019.9 and California Civil Code Sections 1798, et seq., regarding the collection, maintenance, and disclosure of personal and confidential information about individuals.

4. Accounting Principles

The Contractor will adhere to generally accepted accounting principles as outlined by the American Institute of Certified Public Accountants. Dual compensation is not allowed; a contractor cannot receive simultaneous compensation from two or more funding sources for the same services performed even though both funding sources could benefit.

5. Taxes

Unless required by law, the State of California is exempt from federal excise taxes.

6. Right to Terminate (Supersedes provision number 7, Termination for Cause, of Exhibit C)

The parties hereto agree that either party may cancel this Agreement by giving the other party written notice thirty (30) days in advance of the effective date of such cancellation. In the event of such termination, the State agrees to pay Contractor for actual services rendered up to and including the date of termination.

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

7. Contract Suspension

Notwithstanding any other provisions of this Agreement, pursuant to a Governor's Executive Order or equivalent directive, such as a court order or an order from a federal or state regulatory agency, mandating the suspension of state contracts, the State may issue a

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Suspension of Work Notice. The Notice shall identify the specific Executive Order or directive and the Agreement number(s) subject to suspension. Unless specifically stated otherwise, all performance under the Agreement(s) must stop immediately upon receipt of the Notice. During the period of contract suspension, Contractor is not entitled to any payment for the suspended work. Once the order suspending state contracts has been lifted, a formal letter from the Department will be issued to the Contractor to resume work.

8. Extension of Term

If it is determined to be in the best interest of the State, upon agreement, the State may extend this contract, with no increase in service cost, for a period of one (1) year or less.

9. Contractor Employee Misconduct

During the performance of this Agreement, it shall be the responsibility of the Contractor whenever there is an incident of use of force or allegation(s) of employee misconduct associated with and directly impacting inmate and/or parolee rights, to immediately notify the CDCR of the incident(s), to cause an investigation to be conducted, and to provide CDCR with all relevant information pertaining to the incident(s). All relevant information includes, but is not limited to: a) investigative reports; b) access to inmates/parolees and the associated staff; c) access to employee personnel records; d) that information reasonably necessary to assure CDCR that inmates and/or parolees are not or have not been deprived of any legal rights as required by law, regulation, policy and procedures; and e) written evidence that the Contractor has taken such remedial action, in the event of unnecessary or excessive force, or employee misconduct with inmates and/or parolees, as will assure against a repetition of incident(s) or retaliation. To the extent that the information provided by the Contractor fails to so assure CDCR, CDCR may require that any implicated Contractor staff be denied access to and the supervision of CDCR inmates and/or parolees at the facility and access to inmate and/or parolee records. Notwithstanding the foregoing, and without waiving any obligation of the Contractor, CDCR retains the power to conduct an independent investigation of any incident(s). Furthermore, it is the responsibility of the Contractor to include the foregoing terms within any and all subcontracts, requiring that subcontractor(s) agree to the jurisdiction of CDCR to conduct an investigation of their facility and staff, including review of subcontractor employee personnel records, as a condition of the Agreement.

10. Subcontracting

Services provided are to be performed primarily with the staff of the public entity or, in the case of educational institutions, auxiliaries or foundations, by the faculty, staff or students associated with the particular institution. Agreements are not to be used by state agencies to circumvent the competitive bidding requirements of Public Contract Code Section 10340.

If more than twenty-five (25) percent of the total contract amount or \$50,000.00, whichever is less, is subcontracted, non-competitive bid approval must be obtained from the Secretary of CDCR and the Department of General Services prior to the commencement of services, unless the subcontract was competitively bid or the subcontractor(s) also qualifies as a state agency, governmental agency, or joint power.

11. Subcontractor/Consultant Information

Contractor is required to identify all subcontractors and consultants who will perform labor or render services in the performance of this Agreement. Additionally, the Contractor shall notify the Department of Corrections and Rehabilitation, Office of Business Services, in writing, within ten (10) working days, of any changes to the subcontractor and/or consultant information.

12. Liability for Nonconforming Work

The Contractor will be fully responsible for ensuring that the completed work conforms to the agreed upon terms. If nonconformity is discovered prior to the Contractor's deadline, the Contractor will be given a reasonable opportunity to cure the nonconformity. If the nonconformity is discovered after the deadline for the completion of the project, CDCR, in its sole discretion, may use any reasonable means to cure the nonconformity. The Contractor shall be responsible for reimbursing CDCR for any additional expenses incurred to cure such defects.

13. Temporary Nonperformance

If, because of mechanical failure or for any other reason, the Contractor shall be temporarily unable to perform the work as required, the State, during the period of the Contractor's inability to perform, reserves the right to accomplish the work by other means and shall be reimbursed by the Contractor for any additional costs above the Agreement price.

14. Contract Violations

The Contractor acknowledges that any violation of Chapter 2, or any other chaptered provision of the Public Contract Code (PCC), is subject to the remedies and penalties contained in PCC Sections 10420 through 10425.

15. Employment of Ex-Offenders

Contractor cannot and will not either directly, or on a subcontract basis, employ in connection with this Agreement:

- a. Ex-Offenders on active parole or probation, who have been on active parole or probation during the last three years preceding their employment;
 1. Contractor shall only employ ex-offenders who can provide written evidence of having satisfactorily completed parole or probation, and who have remained off parole or probation, and have had no arrests or convictions within the past three years.
- b. Ex-offenders convicted of drug trafficking in a prison/jail; escape or aiding/abetting escape; battery on a Peace Officer or Public Official; arson offenses; or, any violations of Penal Code Sections 4570-4574 (unauthorized Communications with Prisons and Prisoners Offenses).

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- c. Ex-Offenders are required to register as a sex offender pursuant to Penal Code Section 290.
- d. Any ex-offender who has an offense history involving a “violent felony” as defined in subparagraph (c) of Penal Code Section 667.5; or
- e. Any ex-offender in a position which provides direct supervision of parolees.

An ex-offender whose assigned duties involve administrative or policy decision-making, accounting, procurement, cashiering, auditing, or any other business-related administrative function shall be fully bonded to cover any potential loss to the State or contractor. Evidence of such bond shall be supplied to CDCR prior to employment of the ex-offender.

16. Conflict of Interest

The Contractor and their employees shall abide by the provisions of Government Code (GC) Sections 1090, 81000 et seq., 82000 et seq., 87100 et seq., and 87300 et seq., Public Contract Code (PCC) Sections 10335 et seq. and 10410 et seq., California Code of Regulations (CCR), Title 2, Section 18700 et seq. and Title 15, Section 3409, and the Department Operations Manual (DOM) Section 31100 et seq. regarding conflicts of interest.

a. Contractors and Their Employees

Consultant contractors shall file a Statement of Economic Interests, Fair Political Practices Commission (FPPC) Form 700 prior to commencing services under the Agreement, annually during the life of the Agreement, and within thirty (30) days after the expiration of the Agreement. Other service contractors and/or certain of their employees may be required to file a Form 700 if so requested by the CDCR or whenever it appears that a conflict of interest may be at issue. Generally, service contractors (other than consultant contractors required to file as above) and their employees shall be required to file an FPPC Form 700 if one of the following exists:

- (1) The Agreement service has been identified by the CDCR as one where there is a greater likelihood that a conflict of interest may occur;
- (2) The Contractor and/or Contractor’s employee(s), pursuant to the Agreement, makes or influences a governmental decision; or
- (3) The Contractor and/or Contractor’s employee(s) serves in a staff capacity with the CDCR and in that capacity participates in making a governmental decision or performs the same or substantially all the same duties for the CDCR that would otherwise be performed by an individual holding a position specified in the CDCR’s Conflict of Interest Code.

b. Current State Employees

- (1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- (2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
- (3) In addition to the above, CDCR officials and employees shall also avoid actions resulting in or creating an appearance of:

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- (a) Using an official position for private gain;
 - (b) Giving preferential treatment to any particular person;
 - (c) Losing independence or impartiality;
 - (d) Making a decision outside of official channels; and
 - (e) Affecting adversely the confidence of the public or local officials in the integrity of the program.
- (4) Officers and employees of the Department must not solicit, accept or receive, directly or indirectly, any fee, commission, gratuity or gift from any person or business organization doing or seeking to do business with the State.

c. Former State Employees

- (1) For the two year (2-year) period from the date he or she left state employment, no former state officer or employee may enter into an Agreement in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the Agreement while employed in any capacity by any state agency.
- (2) For the twelve-month (12-month) period from the date he or she left state employment, no former state officer or employee may enter into an Agreement with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed Agreement within the 12-month period prior to his or her leaving state service.

In addition to the above, the Contractor shall avoid any conflict of interest whatsoever with respect to any financial dealings, employment services, or opportunities offered to inmates or parolees. The Contractor shall not itself employ or offer to employ inmates or parolees either directly or indirectly through an affiliated company, person or business unless specifically authorized in writing by CDCR. In addition, the Contractor shall not (either directly, or indirectly through an affiliated company, person or business) engage in financial dealings with inmates or parolees, except to the extent that such financial dealings create no actual or potential conflict of interest, are available on the same terms to the general public, and have been approved in advance in writing by CDCR. For the purposes of this paragraph, "affiliated company, person or business" means any company, business, corporation, nonprofit corporation, partnership, limited partnership, sole proprietorship, or other person or business entity of any kind which has any ownership or control interest whatsoever in the Contractor, or which is wholly or partially owned (more than 5% ownership) or controlled (any percentage) by the Contractor or by the Contractor's owners, officers, principals, directors and/or shareholders, either directly or indirectly. "Affiliated companies, persons or businesses" include, but are not limited to, subsidiary, parent, or sister companies or corporations, and any company, corporation, nonprofit corporation, partnership, limited partnership, sole proprietorship, or other person or business entity of any kind that is wholly or partially owned or controlled, either directly or indirectly, by the Contractor or by the Contractor's owners, officers, principals, directors and/or shareholders.

The Contractor shall have a continuing duty to disclose to the State, in writing, all interests and activities that create an actual or potential conflict of interest in performance of the Agreement.

The Contractor shall have a continuing duty to keep the State timely and fully apprised in

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writing of any material changes in the Contractor's business structure and/or status. This includes any changes in business form, such as a change from sole proprietorship or partnership into a corporation or vice-versa; any changes in company ownership; any dissolution of the business; any change of the name of the business; any filing in bankruptcy; any revocation of corporate status by the Secretary of State; and any other material changes in the Contractor's business status or structure that could affect the performance of the Contractor's duties under the Agreement.

If the Contractor violates any provision of the above paragraphs, such action by the Contractor shall render this Agreement void.

Members of boards and commissions are exempt from this section if they do not receive payment other than payment for each meeting of the board or commission, payment for preparatory time and payment for per diem.

17. Travel

Contractor's rates shall include all travel expenses required to perform services in accordance with this contract.

18. Notification of Personnel Changes

Contractor must notify the State, in writing, of any changes of those personnel allowed access to State premises for the purpose of providing services under this Agreement. In addition, Contractor must recover and return any State-issued identification card provided to Contractor's employee(s) upon their departure or termination.

19. Security Clearance/Fingerprinting

The State reserves the right to conduct fingerprinting and/or security clearance—through the Department of Justice, Bureau of Criminal Identification and Information (BCII)—prior to award and at any time during the term of the Agreement, in order to permit Contractor (and/or Contractor employee) access to State premises. The State further reserves the right to terminate the Agreement should a threat to security be determined.

20. Computer Software

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

21. Expendable Equipment

Expendable equipment is defined as expendable items which change with use and have a unit acquisition cost of less than \$5,000 per unit (i.e. fax machines, computers, printers, etc.). Title to any expendable equipment purchased or built with State funds as part of this agreement will vest in the State. The Contractor must retain a listing of expendable equipment purchases that are considered "theft-sensitive" items, such as cameras, calculators, two-way radios, computer equipment, etc., for audit purposes. Upon completion

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or termination of the agreement, Contractors are required to leave all expendable equipment for use by subsequent contractors or for the State to dispose of accordingly. The State may authorize the continued use of such equipment for work to be performed under a different agreement.

The cost of expendable equipment purchased should be comparable to the prevailing price for similar items in the surrounding area.

22. Electronic Waste Recycling

The Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide reasonable access to its records and documents that evidence compliance.

23. Liability for Loss and Damages

Any damages by the Contractor to the State's facility including equipment, furniture, materials or other State property, will be repaired or replaced by the Contractor to the satisfaction of the State at no cost to the State. The State may, at its option, repair any such damage and deduct the cost thereof from any sum due Contractor under this Agreement.

24. Disclosure

Neither the State nor any State employee will be liable to the Contractor or its staff for injuries inflicted by inmates or parolees of the State. The State agrees to disclose to the Contractor any statement(s) known made by any inmate or parolee which indicate violence may result in any specific situation, and the same responsibility will be shared by the Contractor in disclosing such statement(s) to the State.

25. Workers' Compensation

Contractor hereby represents and warrants that Contractor is currently and shall, for the duration of this agreement, carry workers' compensation insurance, at Contractor's expense, or that it is self-insured through a policy acceptable to CDCR, for all of its employees who will be engaged in the performance of this agreement. Such coverage will be a condition of CDCR's obligation to pay for services provided under this agreement.

Prior to approval of this agreement and before performing any work, Contractor shall furnish to the State evidence of valid workers' compensation coverage. Contractor agrees that the workers' compensation insurance shall be in effect at all times during the term of this agreement. In the event said insurance coverage expires or is canceled at any time during the term of this agreement, Contractor agrees to give at least thirty (30) days prior notice to CDCR before said expiration date or immediate notice of cancellation. Evidence of coverage shall not be for less than the remainder of the term of the agreement or for a period of not less than one year. The State reserves the right to verify the Contractor's evidence of coverage. In the event the Contractor fails to keep workers' compensation insurance coverage in effect at all times, the State reserves the right to terminate this

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agreement and seek any other remedies afforded by the laws of this State.

Contractor also agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all of Contractor's workers' compensation claims and losses by Contractor's officers, agents and employees related to the performance of this agreement.

26. Insurance Requirements

Insurance as required herein shall be a condition of the State's obligation to pay for services provided under this Agreement. Prior to approval of this Agreement and before performing any work, Contractor and any subcontractor shall furnish to the State evidence of valid coverage. The following shall be considered evidence of coverage: A certificate of insurance, a "true and certified" copy of the policy, or any other proof of coverage issued by Contractor's insurance carrier. Binders are not acceptable as evidence of coverage. Providing evidence of coverage to the State conveys no rights or privileges to the State, nor does it insure any State employee or insure any premises owned, leased, used by or otherwise or under the control of the State. It does, however, serve to provide the State with proof that the Contractor and any subcontractors are insured at the minimum levels required by the State of California.

Contractor agrees that any liability insurance required in the performance of this Agreement shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires or is canceled during the term of this Agreement, Contractor shall provide the State within five (5) business days of receipt by contractor a copy of any notice of cancellation or non-renewal of insurance required by the contract. Evidence of coverage required in the performance of this Agreement shall not be for less than the remainder of the term of this Agreement or for a period of not less than one year. The State and the Department of General Services (DGS) reserve the right to verify the Contractor's evidence of coverage; evidence of coverage is subject to the approval of the DGS. In the event the Contractor fails to keep insurance coverage as required herein in effect at all times, the State reserves the right to terminate this Agreement and to seek any other remedies afforded by the laws of the State of California.

Contractor hereby represents and warrants they (and any subcontractors) are currently and shall for the duration of this Agreement be insured. Contractor shall provide proof of self-insurance against:

Commercial General Liability - Provider agrees to carry a minimum of \$1,000,000 per occurrence for bodily injury and property damage liability combined (not required if medical services are provided at the institution).

The certificate of insurance must include the following provisions:

- The California Department of Corrections and Rehabilitation must be named as the "Certificate Holder" and list the following:

State of California
California Department of Corrections and Rehabilitation
Office of Business Services

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9838 Old Placerville Road, Suite B-2
Sacramento, CA 95827

- The State of California, its officers, agents, employees, and servants are hereby named as additional insured but only with respect to work performed for the State of California.

Auto Liability - By signing this Agreement, the Contractor certifies that the Contractor and any employees, subcontractors or servants possess valid automobile coverage in accordance with California Vehicle Code Sections 16450 to 16457, inclusive. The State reserves the right to request proof at any time.

Non-Medical Professional Liability - Contractor and any subcontractors shall maintain Professional Liability Insurance in the amount of \$1,000,000 per occurrence, \$3,000,000 in the aggregate, including coverage for any errors and omissions caused by negligence in the performance of duties under this Agreement.

By signing this Agreement, the Contractor certifies that the carrier of any professional liability insurance required in the performance of this Agreement has knowledge of the Contractor's and any subcontractor's extension of services to CDCR inmates.

27. Tuberculosis (TB) Testing

In the event that the services required under this Agreement will be performed within a CDCR institution/parole office/community-based program, prior to the performance of contracted duties, Contractors and their employees who are assigned to work with inmates/parolees on a regular basis shall be required to be examined or tested or medically evaluated for TB in an infectious or contagious stage, and at least once a year thereafter or more often as directed by CDCR. Regular basis is defined as having contact with inmates/parolees in confined quarters more than once a week.

Contractors and their employees shall be required to furnish to CDCR, at no cost to CDCR, a form CDCR 7336, "Employee Tuberculin Skin Test (TST) and Evaluation," prior to assuming their contracted duties and annually thereafter, showing that the Contractor and their employees have been examined and found free of TB in an infectious stage. The form CDCR 7336 will be provided by CDCR upon Contractor's request.

The following provisions apply to services provided on departmental and/or institution grounds:

28. Blood borne Pathogens

Provider shall adhere to California Division of Occupational Safety and Health (CAL-OSHA) regulations and guidelines pertaining to blood borne pathogens.

29. Primary Laws, Rules, and Regulations Regarding Conduct and Association with State Prison Inmates and Division of Juvenile Justice Wards

Individuals who are not employees of the California Department of Corrections and Rehabilitation (CDCR), but who are working in and around inmates who are incarcerated, or

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wards who are housed within California's institutions/facilities or camps, are to be apprised of the laws, rules and regulations governing conduct in associating with prison inmates or wards. The following is a summation of pertinent information when non-departmental employees come in contact with prison inmates or wards.

By signing this contract, the Contractor agrees that if the provisions of the contract require the Contractor to enter an institution/facility or camp, the Contractor and any employee(s) and/or subcontractor(s) shall be made aware of and shall abide by the following laws, rules and regulations governing conduct in associating with prison inmates or wards:

- a. Persons who are not employed by CDCR, but are engaged in work at any institution/facility or camp must observe and abide by all laws, rules and regulations governing the conduct of their behavior in associating with prison inmates or wards. Failure to comply with these guidelines may lead to expulsion from CDCR institutions/facilities or camps.

SOURCE: California Penal Code (PC) Sections 5054 and 5058; California Code of Regulations (CCR), Title 15, Sections 3285 and 3415, and California Welfare and Institutions Code (WIC) Section 1712.

- b. CDCR does not recognize hostages for bargaining purposes. CDCR has a "NO HOSTAGE" policy and all prison inmates, wards, visitors, and employees shall be made aware of this.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Section 3304 and 4603; WIC Section 1712.

- c. All persons entering onto institution/facility or camp grounds consent to search of their person, property or vehicle at any time. Refusal by individuals to submit to a search of their person, property, or vehicle may be cause for denial of access to the premises.

SOURCE: PC Sections 2601, 5054 and 5058; CCR, Title 15, Sections 3173, 3177, 3288, 4696, and 4697; WIC 1712.

- d. Persons normally permitted to enter an institution/facility or camp may be barred, for cause, by the CDCR Director, Warden, and/or Regional Parole Administrator.

SOURCE: PC Sections 5054 and 5058; CCR, Title 15, Section 3176 (a) and 4696; WIC Section 1712.

- e. It is illegal for an individual who has been previously convicted of a felony offense to enter into CDCR adult institutions/facilities or camps, or youth institutions/facilities or camps in the nighttime, without the prior approval of the Warden or officer in charge. It is also illegal for an individual to enter onto these premises for unauthorized purposes or to refuse to leave said premises when requested to do so. Failure to comply with this provision could lead to prosecution.

SOURCE: PC Sections 602, 4570.5 and 4571; CCR, Title 15, Sections 3173 and 3289; WIC Section 1001.7.

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- f. Encouraging and/or assisting prison inmates to escape, is a crime. It is illegal to bring firearms, deadly weapons, explosives, tear gas, drugs or drug paraphernalia on CDCR institutions/facilities or camp premises. It is illegal to give prison inmates or wards firearms, explosives, alcoholic beverages, narcotics, or any drug or drug paraphernalia, including cocaine or marijuana. It is illegal to give wards sex oriented objects or devices, and written materials and pictures whose sale is prohibited to minors.

SOURCE: PC Sections 2772, 2790, 4533, 4535, 4550, 4573, 4573.5, 4573.6 and 4574; WIC Section 1152, CRR, Title 15, sections 4681 and 4710; WIC Section 1001.5.

- g. It is illegal to give or take letters from inmates or wards without the authorization of the Warden or officer in charge. It is also illegal to give or receive any type of gift and/or gratuities from prison inmates or wards.

SOURCE: PC Sections 2540, 2541 and 4570; CCR, Title 15, Sections 3010, 3399, 3401, 3424, 3425 and 4045; WIC Section 1712.

- h. In an emergency situation the visiting program and other program activities may be suspended.

SOURCE: PC Section 2601; CCR, Title 15, Section 3383, 4002.5 and 4696.

- i. For security reasons, visitors must not wear clothing that in any way resembles state issued prison inmate or ward clothing (blue denim shirts, blue denim pants).

SOURCE: CCR, Title 15, Section 3174 (b) (1) and 4696.

- j. Interviews with SPECIFIC INMATES are not permitted. Conspiring with an inmate to circumvent policy and/or regulations constitutes a rule violation that may result in appropriate legal action. Interviews with individual wards are permitted with written consent of each ward if he is 18 years of age or older, or with written consent of a parent, legal guardian, or committing court, if 17 years of age or younger.

SOURCE: CCR, Title 15, Sections 3261.5, 3315 (a) (3) (X), and 3177 and 4700(a)(1).

30. Clothing Restrictions

While on institution grounds, Contractor and all its agents, employees, and/or representatives shall be professionally and appropriately dressed in clothing distinct from that worn by inmates at the institution. Specifically, blue denim pants and blue chambray shirts, orange/red/yellow/white/chartreuse jumpsuits and/or yellow rainwear shall not be worn onto institution grounds, as this is inmate attire. Contractor should contact the institution regarding clothing restrictions prior to requiring access to the institution to assure the Contractor and their employees are in compliance.

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31. Tobacco-Free Environment

Pursuant to Penal Code Section 5030.1, the use of tobacco products by any person on the grounds of any institution or facility under the jurisdiction of the Department of Corrections and Rehabilitation is prohibited.

32. Prison Rape Elimination Policy

CDCR is committed to providing a safe, humane, secure environment, free from sexual misconduct. This will be accomplished by maintaining a program to ensure education/prevention, detection, response, investigation and tracking of sexual misconduct and to address successful community re-entry of the victim. The CDCR shall maintain a zero tolerance for sexual misconduct in its institutions, community correctional facilities, conservation camps and for all offenders under its jurisdiction. All sexual misconduct is strictly prohibited.

As a contractor with the CDCR, you and your staff are expected to ensure compliance with this policy as described in Department Operations Manual, Chapter 5, Article 44.

33. Security Regulations

- a. Unless otherwise directed by the entrance gate officer and/or Contract Manager, the Contractor, Contractor's employees and subcontractors shall enter the institution through the main entrance gate and park private and nonessential vehicles in the designated visitor's parking lot. Contractor, Contractor's employees and subcontractors shall remove the keys from the ignition when outside the vehicle and all unattended vehicles shall be locked and secured while on institution grounds.
- b. Any State- and Contractor-owned equipment used by the Contractor for the provision of contract services, shall be rendered temporarily inoperative by the Contractor when not in use, by locking or other means unless specified otherwise.
- c. In order to maintain institution safety and security, periodic fire prevention inspections and site searches may become necessary and Contractor must furnish keys to institutional authorities to access all locked areas on the worksite. The State shall in no way be responsible for Contractor's loss due to fire.
- d. Due to security procedures, the Contractor, Contractor's employees and subcontractors may be delayed at the institution vehicle/pedestrian gates and sally ports. Any loss of time checking in and out of the institution gates and sally ports shall be borne by the Contractor.
- e. Contractor, Contractor's employees and subcontractors shall observe all security rules and regulations and comply with all instructions given by institutional authorities.
- f. Electronic and communicative devices such as pagers, cell phones and cameras/microcameras are not permitted on institution grounds.

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- g. Contractor, Contractor's employees and subcontractors shall not cause undue interference with the operations of the institution.
- h. No picketing is allowed on State property.

34. Gate Clearance

Contractor and Contractor's employee(s) and/or subcontractor(s) must be cleared prior to providing services. The Contractor will be required to complete a Request for Gate Clearance for all persons entering the facility a minimum of ten (10) working days prior to commencement of service. The Request for Gate Clearance must include the person's name, social security number, valid state driver's license number or state identification card number and date of birth. Information shall be submitted to the Contract Liaison or his/her designee. CDCR uses the Request for Gate Clearance to run a California Law Enforcement Telecommunications System (CLETS) check. The check will include Department of Motor Vehicles check, Wants and Warrants check, and Criminal History check.

Gate clearance may be denied for the following reasons: Individual's presence in the institution presents a serious threat to security, individual has been charged with a serious crime committed on institution property, inadequate information is available to establish positive identity of prospective individual, and/or individual has deliberately falsified his/her identity.

All persons entering the facilities must have a valid state driver's license or photo identification card on their person.

BUSINESS ASSOCIATES AGREEMENT (HIPAA)

LOS ANGELES WOMEN'S REENTRY COURT PROGRAM

WHEREAS, The Los Angeles Countywide Criminal Justice Coordinating Committee (CCJCC), hereinafter referred to in this Exhibit as "Business Associate," acknowledges that the CDCR, hereinafter referred to in this Exhibit as "Covered Entity," has in its possession data that contains individual identifiable health information as defined by Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 ("HIPAA") and the regulations promulgated thereunder;

WHEREAS, Business Associate and Covered Entity acknowledge that the fulfillment of the Parties' obligations under this Service Agreement necessitates the exchange of, or access to, data including individual identifiable health information; and,

WHEREAS, the parties desire to comply with federal and California laws regarding the use and disclosure of individually identifiable health information, and in particular with the provisions of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the regulations promulgated thereunder.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter contained, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

Terms used, but not otherwise defined, in this Exhibit shall have the meanings set forth below.

- 1.1 "HHS Transaction Standard Regulation" means the Code of Federal Regulations ("CFR") at Title 45, Sections 160 and 162.
- 1.2 "Individual" means the subject of protected health information (PHI) or, if deceased, his or her personal representative.
- 1.3 "Parties" shall mean the Covered Entity and Business Associate. (Covered Entity and Business Associate, individually, may be referred to as a "Party".)
- 1.4 "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- 1.5 "PHI" shall have the same meaning as the term "protected health information" in 45 CFR §164.501, limited to the information created or received by Business Associate from or on behalf of the Covered Entity.
- 1.6 "Required By Law" shall have the same meaning as "required by law" in 45 CFR §164.501.

1.7 "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

Any other terms used, but not otherwise defined, in this Exhibit shall have the same meaning as those terms in the Privacy Rule.

ARTICLE 2 CONFIDENTIALITY

2.1 Obligations and Activities of Business Associate. Business Associate agrees as follows:

- (a) not to use or further disclose PHI other than as permitted or required by this Agreement or as Required By Law;
- (b) to establish, maintain, and use appropriate safeguards to prevent use or disclosure of the PHI other than as permitted herein;
- (c) to report to Covered Entity any use, access or disclosure of the PHI not provided for by this Agreement, or any misuse of the PHI, including but not limited to systems compromises of which it becomes aware and to mitigate, to the extent practicable, any harmful effect that is known to Business Associate as a result thereof. Business Associate shall be responsible for any and all costs (including the costs of Covered Entity) associated with mitigating or remedying any violation of this Agreement;
- (d) to enforce and maintain appropriate policies, procedures, and access control mechanisms to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information. The access and privileges granted to any such agent shall be the minimum necessary to perform the assigned functions;
- (e) to provide access, at the request of Covered Entity, and in the time and manner reasonable designated by Covered Entity, to PHI in a Designated Record Set (as defined in the Privacy Rule), to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524;
- (f) to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR §164.526 at the request of Covered Entity or an Individual, and in the time and manner reasonably requested by Covered Entity.
- (g) to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner reasonably requested by Covered Entity or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- (h) to document such disclosures of PHI, and information related to such disclosures, as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528. Said documentation shall include, but not be limited to, the date of the disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure. Said documentation shall be made available to Covered Entity upon request.

- (i) to provide to Covered Entity or an Individual, in a time and manner reasonably requested by Covered Entity, information collected in accordance with Section 2.1(h) above to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.
- (j) to promptly notify Covered Entity of all actual or suspected instances of deliberate unauthorized attempts (both successful and unsuccessful) to access PHI. Such notice shall be made to Covered Entity by telephone as soon as Business Associate becomes aware of the unauthorized attempt, and this telephone notification shall be followed within two (2) calendar days of the discovery of the unauthorized attempt by a written report to Covered Entity from Business Associate. Business Associate shall, at the same time, report to Covered Entity any remedial action taken, or proposed to be taken, with respect to such unauthorized attempt. Covered Entity shall have the discretion to determine whether or not any such remedial action is sufficient, and all such remedial action shall be at Business Associate's expense.
- (k) to maintain and enforce policies, procedures and processes to protect physical access to hardware, software and/or media containing PHI (e.g., hardcopy, tapes, removable media, etc.) against unauthorized physical access during use, storage, transportation, disposition and /or destruction.
- (l) to ensure that access controls in place to protect PHI and processing resources from unauthorized access are controlled by two-factor identification and authentication: a user ID and a Token, Password or Biometrics.
- (m) to implement, use and monitor its compliance with appropriate technological, administrative and physical safeguards to prevent the use or disclosure of PHI other than as permitted by this Agreement. Business Associate shall provide Covered Entity with evidence of such safeguards upon Covered Entities request. Covered Entity has the right to determine, in its sole discretion, whether such safeguards are appropriate, and to require any additional safeguards it deems necessary.
- (n) In the event that Business Associate is served with legal process (e.g. a subpoena) or request from a governmental agency (e.g. the Secretary) that potentially could require the disclosure of PHI, Business Associate shall provide prompt (i.e., within twenty-four (24) hours) written notice of such legal process (including a copy of the legal process served) to the designated person at the Covered Entity. In addition, Business Associate shall not disclose the PHI without the consent of Covered Entity unless pursuant to a valid and specific court order or to comply with a requirement for review of documents by a governmental regulatory agency under its statutory or regulatory authority to regulate the activities of either party.
- (o) to submit to periodic audits by Covered Entity verifying Business Associate's compliance with appropriate technological, administrative and physical safeguards to prevent the use or disclosure of PHI other than as permitted by this Agreement, as well as compliance with the terms and conditions pursuant to this Agreement and compliance with state and federal laws and regulations. Audit review may be undertaken directly by the Covered Entity or by third parties engaged by the Covered Entity. Business Associate shall cooperate fully with Covered Entity or any such third party in connection with such audits.

2.2 Disclosures Required By Law.

In the event that Business Associate is required by law to disclose PHI, Business Associate will immediately provide Covered Entity with written notice and provide Covered Entity an opportunity to oppose any request for such PHI or to take whatever action Covered Entity deems appropriate.

2.3 Specific Use and Disclosure Provisions.

- (a) Except as otherwise limited in this Agreement, Business Associate may use PHI only to carry out the legal responsibilities of the Business Associate under this Service Agreement.
- (b) Except as otherwise limited in this Agreement, Business Associate may only disclose PHI (i) as Required By Law, or (ii) in the fulfillment of its obligations under the Service Agreement and provided that Business Associate has first obtained (A) the consent of Covered Entity for such disclosure, (B) reasonable assurances from the person to whom the information is disclosed that the PHI will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and (C) reasonable assurances from the person to whom the information is disclosed that such person will notify the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

2.4 Obligations of Covered Entity.

- (a) Covered Entity shall notify Business Associate of any limitations in its notice of privacy practices of Covered Entity in accordance with 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
- (b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosures of PHI.
- (c) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
- (d) For any PHI received by Covered Entity from Business Associate on behalf of a third party or another covered entity, Covered Entity agrees to be bound to the obligations and activities of Business Associate enumerated in Section 2.1 as if and to the same extent Covered Entity was the named Business Associate hereunder.

2.5 Permissible Requests by Covered Entity.

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by the Covered Entity.

2.6 Policy and Procedure Review.

Upon request, Business Associate shall make available to Covered Entity any and all documentation relevant to the safeguarding of PHI including but not limited to current policies and procedures, operational manuals and/or instructions, and/or employment and/or third party agreements.

ARTICLE 3 SECURITY

3.1 Government Healthcare Program Representations.

Business Associate hereby represents and warrants to Covered Entity, its shareholders, members, directors, officers, agents, or employees have not been excluded or served a notice of exclusion or have been served with a notice of proposed exclusion, or have committed any acts which are cause for exclusion, from participation in, or had any sanctions, or civil or criminal penalties imposed under, any federal or state healthcare program, including but not limited to Medicare or Medicaid, or have been convicted, under federal or state law (including without limitation a plea of nolo contendere or participation in a first offender deterred adjudication or other arrangement whereby a judgment of conviction has been withheld), of a criminal offense related to (a) the neglect or abuse of a patient, (b) the delivery of an item or service, including the performance of management or administrative services related to the delivery of an item or service, under a federal or state healthcare program, (c) fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of a healthcare item or service or with respect to any act or omission in any program operated by or financed in whole or in part by any federal, state or local government agency, (d) the unlawful, manufacture, distribution, prescription, or dispensing of a controlled substance, or (e) interference with or obstruction of any investigation into any criminal offense described in (a) through (d) above. Business Associate further agrees to notify Covered Entity immediately after Business Associate becomes aware that the foregoing representation and warranty may be inaccurate or may be incorrect.

3.2 Security Procedures.

Each Party shall employ security procedures that comply with HIPAA and all other applicable state and federal laws and regulations (collectively, the "Law") and that are commercially reasonable, to ensure that transactions, notices, and other information that are electronically created, communicated, processed, stored, retained or retrieved are authentic, accurate, reliable, complete and confidential. Moreover, each Party shall, and shall require any agent or subcontractor involved in the electronic exchange of data to:

- (a) require its agents and subcontractors to provide security for all data that is electronically exchanged between Covered Entity and Business Associate;
- (b) provide, utilize, and maintain equipment, software, services and testing necessary to assure the secure and reliable transmission and receipt of data containing PHI;
- (c) maintain and enforce security management policies and procedures and utilize mechanisms and processes to prevent, detect, record, analyze, contain and resolve unauthorized access attempts to PHI or processing resources;
- (d) maintain and enforce policies and guidelines for workstation use that delineate appropriate use of workstations to maximize the security of data containing PHI;
- (e) maintain and enforce policies, procedures and a formal program for periodically reviewing its processing infrastructure for potential security vulnerabilities;
- (f) implement and maintain, and require its agents and subcontractors to implement and maintain, appropriate and effective administrative, technical and physical safeguards to protect the security, integrity and confidentiality of data

electronically exchanged between Business Associate and Covered Entity, including access to data as provided herein. Each Party and its agents and subcontractors shall keep all security measures current and shall document its security measures implemented in written policies, procedures or guidelines, which it will provide to the other Party upon the other Party's request.

ARTICLE 4 EXCHANGE OF STANDARD TRANSMISSIONS

- 4.1 Obligations of the Parties. Each of the Parties agrees that for the PHI,
- (a) it will not change any definition, data condition or use of a data element or segment as proscribed in the HHS Transaction Standard Regulation.
 - (b) it will not add any data elements or segments to the maximum denied data set as proscribed in the HHS Transaction Standard Regulation.
 - (c) it will not use any code or data elements that are either marked "not used" in the HHS Standard's implementation specifications or are not in the HHS Transaction Standard's implementation specifications.
 - (d) it will not change the meaning or intent of any of the HHS Transaction Standard's implementation specifications.
- 4.2 Incorporation of Modifications to HHS Transaction Standards.
- Each of the Parties agrees and understands that from time-to-time, HHS may modify and set compliance dates for the HHS Transaction Standards. Each of the Parties agrees to incorporate by reference into this Agreement any such modifications or changes.
- 4.3 Code Set Retention.
- If applicable, both parties understand and agree to keep open code sets being processed or used in this Agreement for at least the current billing period or any appeal period, which ever is longer.
- 4.4 Business Associate Obligations.
- (a) Business Associate shall not submit duplicate transmissions unless so requested by Covered Entity.
 - (b) Business Associate shall only perform those transactions, which are authorized by Covered Entity. Furthermore, Business Associate assumes all liability for any damage, whether direct or indirect, to the electronic data or to Covered Entity's systems caused by Business Associate's unauthorized use of such transactions.
 - (c) Business Associate shall hold Covered Entity harmless from any claim, loss or damage of any kind, whether direct or indirect, whether to person or property, arising out of or related to (1) Business Associate's use or unauthorized disclosure of the electronic data; or (2) Business Associate's submission of data, including but not limited to the submission of incorrect, misleading, incomplete or fraudulent data.

- (d) Business Associate agrees to maintain adequate back-up files to recreate transmissions in the event that such recreations become necessary. Back-up tapes shall be subject to this Agreement to the same extent as original data.
- (e) Business Associate agrees to trace lost or indecipherable transmissions and make reasonable efforts to locate and translate the same. Business Associate shall bear all costs associated with the recreation of incomplete, lost or indecipherable transmissions if such loss is the result of an act or omission of Business Associate.
- (f) Business Associate shall maintain, for seven (7) years, true copies of any source documents from which it produces electronic data.
- (g) Except encounter data furnished by Business Associate to Covered Entity, Business Associate shall not (other than to correct errors) modify any data to which it is granted access under this Agreement or derive new data from such existing data. Any modification of data is to be recorded, and a record of such modification is to be retained by Business Associate for a period of seven (7) years.
- (h) Business Associate shall not disclose security access codes to any third party in any manner without the express written consent of Covered Entity. Business Associate furthermore acknowledges that Covered Entity may change such codes at any time without notice. Business Associate shall assume responsibility for any damages arising from its disclosure of the security access codes or its failure to prevent any third party use of the system without the express written consent of Covered Entity.
- (i) Business Associate shall maintain general liability coverage, including coverage for general commercial liability, for a limit of not less than one million dollars, as well as other coverage as Covered Entity may require to compensate any parties damaged by Business Associate's negligence. Business Associate shall provide evidence of such coverage in the form of a certificate of insurance and agrees to notify Covered Entity and/or HOI immediately of any reduction or cancellation of such coverage.
- (j) Business Associate agrees to conduct testing with Covered Entity to ensure delivery of files that are HIPAA-AS Compliant and to accommodate Covered Entity's specific business requirements.

4.5 Confidential And Proprietary Information

(a) Proprietary Information

Business Associate acknowledges that it will have access to certain proprietary information used in Covered Entity's business. Covered Entity's proprietary information derives its commercial value from the fact that it is not available to competitors or any third parties, and the disclosure of this information would or could impair Covered Entity's competitive position or otherwise prejudice its ongoing business. Business Associate agrees to treat as confidential, and shall

not use for its own commercial purpose or any other purpose, Covered Entity's proprietary information. Business Associate shall safeguard Covered Entity's proprietary information against disclosure except as may be expressly permitted herein. Such proprietary information includes, but is not limited to, confidential information concerning the business operations or practices of Covered Entity, including specific technology processes or capabilities.

ARTICLE 5 MISCELLANEOUS

5.1 Indemnification.

Business Associate shall indemnify, defend, and save harmless the State, CDCR, and CDCR's officers, employees and agents, against any and all losses, liabilities, settlements, claims, demands, damages, or deficiencies (including interest) and expenses of any kind (including, but not limited to, attorneys' fees) arising out of or due to a breach of the terms of this Exhibit to the Service Agreement, and arising out of Business Associate's acts or omissions in regard to the terms of this Exhibit to the Service Agreement. The foregoing indemnity is in addition to any other save harmless or indemnification set forth in this entire Agreement.

5.2 Term and Termination.

- (a) **Term.** The Term of this Agreement shall be effective as of the first date of commencement of services under this entire agreement, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- (b) **Termination for Cause.** Upon a material breach by Business Associate of its obligation hereunder, Covered Entity may (i) terminate this Agreement and the Service Agreement; (ii) permit Business Associate to cure the breach; (iii) report the violation to the Secretary; and/or (iv) require Business Associate to take such other action as Covered Entity may request, at Business Associate's expense.

Covered Entity's remedies under this paragraph shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other. If Covered Entity elects to terminate the Agreement pursuant to a breach of terms and conditions of this Exhibit, Covered Entity shall be relieved of any further obligations under the entire Agreement, and shall be immediately entitled to a refund of any amounts prepaid from the date of the termination through the end of the payment period, on a pro rata basis.

The foregoing termination language is in addition to any other termination language set forth in the entire agreement.

(c) Effect of Termination.

(i) Except as provided in paragraph 5.2(c)(ii), upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

(ii) In the event that Business Associate determines that returning the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Covered Entity's agreement that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

5.3 Disputes.

HIPAA Appeal Procedures

CDCR has established and shall maintain an appeal procedure in accordance with CDCR Department Operations Manual, Section 22040.16. Business Associate agrees that disputes arising under the terms of this Exhibit shall be resolved in accordance with the following:

1. Verbal Appeal

Business Associate and CDCR's Privacy Officer, shall first attempt to resolve the problem by informal discussion. Business Associate agrees that CDCR's Division of Correctional Health Care Services shall be used as a resource in solving potential disputes.

2. Informal Appeal

If the issue is not resolved at the verbal appeal level, Business Associate shall file, within thirty (30) working days, an informal written appeal specifying: the issue(s) of dispute, legal authority or other basis for Business Associate's position, supporting evidence, and remedy sought, with the CDCR Chief, Licensing and Information Systems, and provide a photocopy to the CDCR Assistant Deputy Director, Office of Business Services. The CDCR Chief, Licensing and Information Systems, shall make a determination on the issue and respond in writing within thirty (30) working days of receipt of the informal appeal, indicating the decision reached.

3. Formal Appeal

Should Business Associate disagree with the informal appeal decision, Business Associate shall submit, within ten (10) working days after Business Associate's receipt of the decision of the informal appeal, to the CDCR Deputy Director, Division of Correctional Health Care Services, and a photo copy to the CDCR, Assistant Deputy Director, Office of Business Services, written notification indicating why the informal appeal decision is unacceptable, along with a copy of the original statement

of dispute and a copy of CDCR's response. The CDCR Deputy Director, Division of Correctional Health Care Services, or his/her designee may meet with Business Associate to review the issues within twenty (20) working days of the receipt of Business Associate's notification and shall provide Business Associate with written notification of the decision within forty-five (45) working days from the receipt of the formal appeal.

The foregoing dispute process is solely for the purpose of disputes arising from the terms and conditions of this Exhibit. Disputes in relation to the scope of work and other terms and conditions shall be in accordance with any other dispute language set forth in the entire Agreement.

5.4 Injunctive Relief.

Notwithstanding any rights or remedies provided for in Section 5.3, Covered Entity retains all rights to seek injunctive relief to prevent the unauthorized use of disclosure of PHI by Business Associate or any agent, contractor or third party that received PHI from Business Associate.

5.5 Regulatory References.

A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.

5.6 Amendment.

The Parties agree to take such action as is necessary to amend this Agreement from time to time to the extent necessary for Covered Entity to comply with the requirements of HIPAA and its regulations. All amendments to this Exhibit shall be in writing and signed by both parties through a formal amendment to the entire agreement.

5.7 Survival.

The respective rights and obligations of Business Associate and Covered Entity under Sections 4.5, 5.1 and 5.2(c) of this Agreement shall survive the termination of this Agreement.

5.8 Limitation of Damages.

Other than liabilities under Section 5.1, neither party shall be liable to the other for any special, incidental, exemplary, punitive or consequential damages arising from or as a result of any delay, omission, or error in the electronic transmission or receipt of any information pursuant to this Agreement, even if the other Party has been advised of the possibility of such damages.

5.9 Interpretation.

Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

5.10 Third Party Beneficiary

Unless otherwise set forth herein, nothing contained herein is intended, nor shall it be construed, to create rights running of the benefit of third parties.

5.11 Notices

Any HIPAA related notice required hereunder shall be deemed to be sufficient if mailed to the parties at the addresses below. In order to avoid unreasonable delay in the provision of the services to be rendered pursuant to this Agreement, Business Associate and Covered Entity shall each designate a specific "HIPAA" representative(s) for the purpose of communication between the parties. Such representative(s) may be changed upon written notice to the other party.

Business Associate:

Los Angeles Countywide Criminal Justice Coordinating Committee
Mark Delgado
Executive Director
500 West Temple Street Room 520
Los Angeles, CA 90012
Telephone: (213) 974-8398
Facsimile: (213) 613-2711

Covered Entity:

California Department of Corrections and Rehabilitation
Privacy Officer
HIPAA Compliance Unit
Division of Correctional Health Care Services
P.O. Box 942883
Sacramento, CA 94283-0001
Telephone: (916) 327-1842
Facsimile: (916) 327-0545