



**CONTRACT BY AND BETWEEN
COUNTY OF LOS ANGELES
AND**

**DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT
PSYCHIATRIC URGENT CARE CENTER SERVICES**

Contract Number

Legal Entity Number

Vendor Number

Contractor Headquarter's Supervisorial District _____

Contractor Headquarter's Mental Health Service Area(s) _____

Deputy Director: _____

Lead Manager: _____

Contractor Headquarters Address

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DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 201X, by and between the County of Los Angeles (hereafter "County"), and _____(hereafter "Contractor") with the following business address at _____.

WHEREAS, County desires to provide to those persons in Los Angeles County who qualify therefore certain mental health services contemplated and authorized by the Bronzan-McCorquodale Act, California Welfare and Institutions Code (WIC) Section 5600 et seq.; and

WHEREAS, County desires to provide to those persons in Los Angeles County who qualify therefore certain mental health services contemplated and authorized by the Mental Health Service Act (MHSA) adopted by the California electorate on November 2, 2004; and

WHEREAS, Contractor is equipped, staffed, and prepared to provide these services as described in this Agreement; and

WHEREAS, County believes it is in the best interest of the people of the County of Los Angeles to provide these services by contract; and

WHEREAS, these services shall be provided by Contractor in accordance with all applicable federal, State and local laws, required licenses, ordinances, rules, regulations, manuals, guidelines, and directives, which may include, but are not necessarily limited to, the following: Bronzan-McCorquodale Act, WIC Section 5600 et seq., including, but not limited to, Sections 5600.2, 5600.3, 5600.4, 5600.9, 5602, 5608, 5651, 5670, 5670.5, 5671, 5671.5, 5672, 5705, 5709, 5710, 5751.2, and 5900 et seq.; Medi-Cal Act, WIC Section 14000 et seq., including, but not limited to, Section 14705.5, 14705.7, 14706, 14710, and 14132.44; WIC Section 15600 et seq., including Section 15630; WIC Section 17601 et seq.; California Work Opportunities and Responsibilities to Kids Act, WIC Section 11200 et seq.; California Government Code Sections 26227 and 53703; Title XIX of the Social Security Act, 42 United States Code Section 1396 et seq.; Part B of Title XIX of the Public Health Service Act, 42 United States Code Section 300x et seq.; Title XXI of the Social Security Act; California Penal Code Section 11164 et seq.; Title 9 and Title 22, including, but not limited to, Sections 51516, 70001, 71001, 72001 et seq., and 72443 et seq. of the California Code of Regulations (CCR); 45 Code of Federal Regulations Parts 160 and 164 and WIC Section 5328 et seq.; California Department of Health Care Services (DHCS) Mental Health Plan

Agreement; Los Angeles County Department of Mental Health (DMH) Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services; State's Cost and Financial Reporting System Instruction Manual; Federal Office of Management and Budget (OMB) Uniform Guidance, Subpart E: Cost Principles and Subpart F: Single Audit Requirement; County of Los Angeles Auditor-Controller Contract Accounting and Administration Handbook; policies and procedures developed by County; State's Medicaid Plan; and policies and procedures which have been documented in the form of Policy Letters issued by DHCS; and

WHEREAS, this Agreement is authorized by WIC Section 5600 et seq., California Government Code Sections 23004, 26227 and 53703, and otherwise.

NOW, THEREFORE, Contractor and County agree as follows:

1. **TERM:**

A. **Initial Period:** The Initial Period of this Agreement shall commence on _____ and shall continue in full force and effect through _____.

B. **Optional Extension Period(s):** After the Initial Period, this Agreement may be extended two (2) additional periods unless either party desires to terminate this Agreement at the end of either the Initial Period or First Optional Extension Period and gives written notice to the other party not less than 30 calendar days prior to the end of the Initial Period or the end of the First Optional Extension Period, as applicable.

(1) **First Optional Extension Period:** If this Agreement is extended, the First Optional Extension Period shall commence on _____ and shall continue in full force and effect through _____.

(2) **Second Optional Extension Period:** If this Agreement is extended, the Second Optional Extension Period shall commence on _____, and shall continue in full force and effect through _____.

C. **Six Months Notification of Agreement Expiration:** Contractor shall notify County when this Agreement is within six (6) months of expiration. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 71 (NOTICES).

D. Contractor Alert Reporting Database (CARD): The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

2. **TERMINATION WITHOUT CAUSE**: This Agreement may be terminated by either party at any time without cause by giving at least 30 calendar days prior written notice to the other party. Any termination of this Agreement by County pursuant to this Paragraph 2 shall be approved by County's Board of Supervisors.

3. **IMMEDIATE TERMINATION BY COUNTY**:

A. In addition to any other provisions for termination provided in this Agreement, this Agreement may be terminated by County immediately if County determines that:

- (1) Contractor has failed to initiate delivery of services within 30 calendar days of the commencement date of this Agreement; or
- (2) Contractor has failed to comply with any of the provisions of Paragraphs 18 (NONDISCRIMINATION IN SERVICES), 19 (NONDISCRIMINATION IN EMPLOYMENT), 21 (INDEMNIFICATION AND INSURANCE), 22 (WARRANTY AGAINST CONTINGENT FEES), 23 (CONFLICT OF INTEREST), 28 (DELEGATION AND ASSIGNMENT), 29 (SUBCONTRACTING), 34 (CHILD SUPPORT COMPLIANCE PROGRAM), 48 (CERTIFICATION OF DRUG-FREE WORK PLACE), 54 (CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM) and/or 65 (CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM); or
- (3) In accordance with Paragraphs 35 (TERMINATION FOR INSOLVENCY), 36 (TERMINATION FOR DEFAULT), 37 (TERMINATION FOR IMPROPER CONSIDERATION), 49 (COUNTY LOBBYISTS), and/or 66 (TERMINATION FOR BREACH OF

WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S
DEFAULTED PROPERTY TAX REDUCTION PROGRAM).

B. In the event that this Agreement is terminated, including termination as provided for in Paragraph 2 (TERMINATION WITHOUT CAUSE), then:

- (1) On or after the date of the written notice of termination, County, in its sole discretion, may stop all payments to Contractor hereunder until preliminary settlement based on the Annual Cost Report. Contractor shall prepare an Annual Cost Report in accordance with the terms of the Financial Exhibit A.
- (2) Upon issuance of any notice of termination, Contractor shall make immediate and appropriate plans to transfer or refer all patients/clients receiving services under this Agreement to other agencies for continuing services in accordance with the patient's/client's needs. Such plans shall be subject to prior written approval of the Director or his designee, except that in specific cases, as determined by Contractor, where an immediate patient/client transfer or referral is indicated, Contractor may make an immediate transfer or referral. If Contractor terminates this Agreement, all costs related to all such transfers or referrals as well as all costs related to all continuing services shall not be a charge to this Agreement nor reimbursable in any way under this Agreement; and
- (3) If Contractor is in possession of any equipment, furniture, removable fixtures, materials, or supplies owned by County as provided in Paragraph 45 (PURCHASES), the same shall be immediately returned to County.

4. **ADMINISTRATION:** The Director of Mental Health (Director) shall have the authority to administer this Agreement on behalf of the County. All references to the actions or decisions to be made by the County in this Agreement shall be made by the Director unless otherwise expressly provided.

A. The Director may designate one (1) or more persons to act as his/her designee for the purposes of administering this Agreement. Therefore "Director" shall mean "Director and/or his/her designee."

B. Contractor shall designate in writing a Contract Manager who shall function as liaison with County regarding Contractor's performance hereunder.

5. **DESCRIPTION OF SERVICES/ACTIVITIES:** Contractor shall provide those mental health services identified on the Service Exhibit(s) of this Agreement and as described in the Contractor's Negotiation Package for this Agreement, as approved in writing by the Director. The quality of services provided by Contractor shall be the same regardless of the patient's/client's ability to pay or source of payment.

Contractor shall be responsible for delivering services to new patients/clients to the extent that funding is provided by County. Where Contractor determines that services to new patients/clients can no longer be delivered, Contractor shall provide 30 calendar days prior notice to County. Contractor shall also thereafter make referrals of new patients/clients to County or other appropriate agencies.

Contractor shall not be required to provide the notice in the preceding paragraph when County reduces funding to Contractor, either at the beginning of or during the fiscal year. In addition, when County eliminates the funding for a particular program provided by Contractor, Contractor shall not be responsible for continuing services for those patients/clients linked to that funding but shall make referrals of those patients/clients to County or other appropriate agencies.

Contractor may provide activities claimable as Title XIX Medi-Cal Administrative Activities pursuant to WIC Section 14132.44. The administrative activities which may be claimable as Title XIX Medi-Cal Administrative Activities are described in the policies and procedures provided by SDMH and/or SDHS.

Contractor may provide mental health services claimable as Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services.

Contractors shall not be eligible to provide mental health services claimable under the Mental Health Services Act (MHSA) unless Contractor has been found to be eligible to provide mental health services as follows: (1) Contractor has been selected to provide MHSA reimbursable services through a solicitation process approved by the County; or (2) Contractor intends to transform a portion of its services to MHSA services, Contractor has submitted a mid-year change to the Negotiation Package outlining the planned transformation and County has approved Contractor to provide MHSA services through the transformation process. Placement on a Master Agreement eligibility list does not

guarantee that Contractor will be selected to provide mental health services claimable as MHSA services.

6. **FINANCIAL PROVISIONS**: In consideration of services and/or activities provided by Contractor, County shall reimburse Contractor in the amount and manner described in Attachment II, Financial Exhibit A (FINANCIAL PROVISIONS) attached thereto and by this reference incorporated herein.

7. **INTENTIONALLY OMITTED**:

8. **STAFFING**: Throughout the term of this Agreement, Contractor shall staff its operations so that staffing approximates the type and number indicated in Contractor's Negotiation Package for this Agreement and as required by WIC and CCR.

A. Staff providing services under this Agreement shall be qualified and shall possess all appropriate licenses in accordance with WIC Section 5751.2 and all other applicable requirements of the California Business and Professions Code, WIC, CCR, Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services, SDMH Policy Letters, DHCS Policy Letters, and shall only function within the scope of practice as dictated by licensing boards/bodies.

B. If, at any time during the term of this Agreement, the Contractor has a sufficient number of vacant staff positions that would impair its ability to perform any services under the Agreement, Contractor shall promptly notify Director of such vacancies.

C. At all times during the term of this Agreement, Contractor shall have available and shall provide upon request to authorized representatives of County, a list of all persons by name, title, professional degree, language capability(ies), and experience, who are providing any services under this Agreement.

9. **STAFF TRAINING AND SUPERVISION**: Contractor shall institute and maintain an in-service training program of treatment review and case conferences in which all its professional, para-professional, intern, student, and clinical volunteer personnel shall participate.

Contractor shall institute and maintain appropriate supervision of all persons providing services under this Agreement with particular emphasis on the supervision of

para-professionals, interns, students, and clinical volunteers in accordance with Departmental clinical supervision policy.

Contractor shall be responsible for the provision of mandatory training for all staff at the time of initial employment and on an ongoing basis as required by federal and State law, including but not limited to Health Insurance Portability and Accountability Act (HIPAA) and Sexual Harassment, and for the training of all appropriate staff on the Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services, and other State and County policies and procedures as well as on any other matters that County may reasonably require.

Contractor shall document and make available upon request by the federal, State and/or County the type and number of hours of training provided to Contractor's officers, employees, agents, and subcontractors.

10. **PROGRAM SUPERVISION, MONITORING AND REVIEW:**

- A. Pursuant to WIC Section 5608 and CCR Title 9, Section 521, all services hereunder shall be provided by Contractor under the general supervision of Director. Director shall have the right to monitor and specify the kind, quality, appropriateness, timeliness, and amount of services, and the criteria for determining the persons to be served.
- B. Upon receipt of any contract monitoring report pertaining to services/activities under this Agreement, Contractor shall respond in writing to person(s) identified and within the time specified in the contract monitoring report. Contractor shall, in its written response, either acknowledge the reported deficiencies or present additional evidence to dispute the findings. In addition, Contractor must submit a plan for immediate correction of all deficiencies.
- C. In the event of a State audit of this Agreement, if State auditors disagree with County's official written instructions to Contractor in its performance of this Agreement, and if such disagreement results in a State disallowance of any of Contractor's costs hereunder, then County shall be liable for Contractor's disallowed costs as determined by State.
- D. To assure compliance with this Agreement and for any other reasonable purpose relating to performance of this Agreement, and subject to the

provisions of State and federal law, authorized County, State, and/or federal representatives and designees shall have the right to enter Contractor's premises (including all other places where duties under this Agreement are being performed), with or without notice, to: inspect, monitor and/or audit Contractor's facilities, programs and procedures, or to otherwise evaluate the work performed or being performed; review and copy any records and supporting documentation pertaining to the performance of this Agreement; and elicit information regarding the performance of this Agreement or any related work. The representatives and designees of such agencies may examine, audit and copy such records at the site at which they are located. Contractor shall provide access to facilities and shall cooperate and assist County, State, and/or federal representatives and designees in the performance of their duties. Unless otherwise agreed upon in writing, Contractor must provide specified data upon request by County, State, and/or federal representatives and designees within three (3) business days.

11. **PERFORMANCE STANDARDS AND OUTCOME MEASURES**: The Contractor shall comply with all applicable federal, State, and County policies and procedures relating to performance standards and outcome measures, including but not limited to those performance standards and outcome measures required by specific federal, State, and/or County rules, directive, and guidelines for entities receiving their funding. Examples of such performance standards and/or outcome measures include, but are not limited to, those identified in Attachment IX and those reflected in County and/or program Service Exhibits and practice parameters; as well as performance standards and/or outcomes measures related to the Patient Protection and Affordable Care Act (ACA) and Cal MediConnect Program.

Performance standards and/or outcome measures will be used as part of the determination of the effectiveness of the services delivered by Contractor. Substandard performance or outcomes by Contractor may be grounds for contract review and a corrective action plan (CAP).

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12. **QUALITY MANAGEMENT PROGRAM:**

- A. Contractor shall establish and maintain a Quality Management Program. Contractor's written Quality Management Program shall describe its quality assurance, quality improvement and utilization review structure, process, decisions, actions and monitoring, in accordance with the Department's Quality Improvement Program Policy No. 105.1, to ensure that the quality and appropriateness of care delivered to clients of the mental health system meets or exceeds the established County, State, and federal service standards and complies with the standards set by the DHCS through the Performance Contract and/or Mental Health Plan Agreement.
- B. The Contractor's Quality Management Program shall be consistent with Department's Quality Improvement Program Policy No. 105.1 including the Department's Quality Improvement Work Plan and participation in Service Area Quality Assurance and Quality Improvement Committee meetings as outlined in Policy No. 105.1.
- C. The Contractor's Quality Management Program shall be consistent with the Department's Cultural Competency Plan.
- D. The Contractor's Quality Management Program shall be consistent with the Department's Quality Assurance requirements for Contract Providers as outlined in Policy 104.09.
- E. The County, or its agent(s), will monitor the Contractor's performance under this Agreement on not less than an annual basis. Such monitoring will include assessing Contractor's compliance with all Agreement terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Agreement or impose other penalties as specified in this Agreement.

13. **RECORDS AND AUDITS:**

A. Records:

- (1) Direct Services and Indirect Services Records: Contractor shall maintain a record of all direct services and indirect services rendered by all professional, para-professional, intern, student, volunteer and other personnel under this Agreement in sufficient detail to permit an evaluation and audit of such services. All such records shall be retained, maintained, and made available within three (3) business days for inspection, review, and/or audit by authorized representatives and designees of County, State, and/or federal governments during the term of this Agreement and during the applicable period of records retention. Records shall be maintained by Contractor at location in Los Angeles County as specified in this Agreement. In the event any records are located outside Los Angeles County, Contractor shall pay County for all travel, per diem, and other costs incurred by County for any inspection, review, and/or audit at such other location. In addition to the general requirements in this Paragraph 13, Contractor shall comply with any additional patient/client record requirements described in the Service Exhibit(s) and shall adequately document the delivery of all services described in the Service Exhibit(s).
- (a) Patient/Client Records (Direct Services): Contractor shall maintain treatment and other records for each individual patient/client of all direct services (e.g., 24-hour services, day services, targeted case management, mental health services, medication support, and crisis intervention) in accordance with all applicable County, State and federal requirements. Such treatment and other records shall include, but not be limited to, patient/client identification number, demographic information, all data elements required by the County's claims processing information system, consent for treatment form, assessment, treatment plan, progress notes, and any other applicable information. The required data elements shall be in accordance with the Organizational Provider's Manual. All patient/client records shall

be maintained by Contractor at a location in Los Angeles County for a minimum period that is at least equivalent to the later of any of the following:

- 1) Seven (7) years following discharge of the patient/client or termination of services;
- 2) For minors, until such time as the minor reaches 25 years of age;
- 3) Three (3) years after completion of all County, State and/or federal audits; or
- 4) Three (3) years after the conclusion of any audit appeal and/or when audit findings are fully resolved.

During such retention period, all such records shall be available within three (3) business days and open during County's normal business hours to authorized representatives and designees of County, State, and/or federal governments for purposes of inspection, review, and/or audit. Nothing in this paragraph shall limit Contractor's obligation to retain records for the period described by law.

(b) Case Management Support Services, Outreach Services, and Client Supportive Services Records (Indirect Services): Contractor shall maintain accurate and complete program records of all indirect services (i.e., all services other than direct services) in accordance with all applicable County, State and federal requirements. All program records shall be maintained by Contractor at a location in Los Angeles County for a minimum period that is at least equivalent to the later of any of the following:

- 1) Seven (7) years following the expiration or earlier termination of this Agreement;
- 2) Three (3) years after completion of all County, State and/or federal audits; or
- 3) Three (3) years after the conclusion of any audit appeal and/or when audit findings are fully resolved.

During such retention period, all such records shall be available within three (3) business days and open during County's normal business hours to authorized representatives and designees of County, State, and/or federal governments for purposes of inspection and/or audit. Nothing in this paragraph shall limit Contractor's obligation to retain records for the period described by law.

- (2) Financial Records: Contractor shall prepare and maintain, on a current basis, accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles, with the procedures set out in the State's Cost and Financial Reporting System (CFRS) Instruction Manual, and with all applicable federal, State and County requirements, guidelines, standards, and procedures. Minimum standards for accounting principles are set forth in County's Auditor-Controller's Contract Accounting and Administration Handbook which shall be furnished to Contractor by County upon request. The above financial records shall include, but are not limited to:

- (a) Books of original entry and a general ledger.
- (b) Reports, studies, statistical surveys or other information Contractor used to identify and allocate indirect costs. "Indirect costs" shall mean those costs as described by the guidelines, standards, and procedures which may be provided by County in writing to Contractor, the Centers for Medicare and Medicaid Provider Reimbursement Manual Parts 1 and 2 (Publications #15-1 and #15-2), and the OMB Uniform Guidance, Subpart E: Cost Principles.
- (c) Bronzan-McCorquodale/County statistics and total facility utilization information (e.g., patient days, visits) which can be identified by type of

service pursuant to any policies and procedures which may be provided by County in writing to Contractor.

(d) A listing of all County remittances received.

(e) Patient/client financial folders clearly documenting:

1) Contractor's determination of patient's/client's eligibility for Medi-Cal, medical insurance and any other third party payer coverage; and

2) Contractor's reasonable efforts to collect charges from the patient/client, his/her responsible relatives, and any other third party payer.

(f) Individual patient/client ledger cards indicating the type and amount of charges incurred and payments by source and service type.

(g) Employment records.

(3) The entries in all of the above financial records must be readily traceable to applicable source documentation (e.g., remittance invoices, vendor invoices, employee timecards, signed by employee and countersigned by supervisor, subsidiary ledgers and journals, appointment logs, patient ledger cards, etc.). Any apportionment of costs shall be made in accordance with the requirements of the State's CFRS Instruction Manual, the Federal Centers for Medicare and Medicaid Provider Reimbursement Manual Parts 1 and 2 (Publications #15-1 and #15-2), and Los Angeles County DMH Organizational Provider's Manual for Specialty Mental Health Services under the Rehabilitation Option and Targeted Case Management Services. All such records shall be maintained by Contractor at a location in Los Angeles County for a minimum period that is at least equivalent to the later of any of the following:

(a) Seven (7) years following the expiration or earlier termination of this Agreement;

- (b) Three (3) years after completion of all County, State and/or federal audits; or
- (c) Three (3) years after the conclusion of any audit appeal and/or when audit findings are fully resolved.

During such retention period, all such records shall be available within three (3) business days and open during County's normal business hours to authorized representatives and designees of County, State, and/or federal governments for purposes of inspection, review, and/or audit. Such access shall include access to individuals with knowledge of financial records and Contractor's outside auditors, and regular and special reports from Contractor. In the event any records are located outside Los Angeles County, Contractor shall pay County for all travel, per diem, and other costs incurred by County for any inspection or audit at such other location.

- (4) Preservation of Records: If, following termination of this Agreement, Contractor's facility(ies) is (are) closed or if majority ownership of Contractor changes, then within 48 hours of closure or ownership change, Director of DHCS and Director shall be notified in writing by Contractor of all arrangements made by Contractor for preservation of all the patient/client, financial, and other records referred to in this Paragraph 13.

B. Audits:

- (1) Contractor shall provide County and its authorized representatives access to and the right to examine, audit, excerpt, copy, or transcribe, any pertinent transaction, activity, time cards, or any other records relating to this Agreement.
- (2) County may, in its sole discretion, perform periodic fiscal and/or program review(s) of Contractor's records that relate to this Agreement. If County determines that the results of any such reviews indicate the need for corrective action, Contractor shall within 30 calendar days after receiving the findings of the fiscal and/or program review, either (a) submit a corrective plan

of action to DMH, or (b) request a review by the Director. If Contractor requests a review by the Director within the 30 calendar days, and if a corrective plan of action is then required, Contractor shall have 30 calendar days to submit its corrective plan of action.

- (3) Audit Reports: In the event that any audit of any or all aspects of this Agreement is conducted by any federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report(s) with DMH's Contracts Development and Administration Division within 30 calendar days of Contractor's receipt thereof, unless otherwise provided by applicable federal or State law or under this Agreement. Contractor shall promptly notify County of any request for access to information related to this Agreement by any other governmental agency.
- (4) California Department of Health Care Services (DHCS) Access to Records: Contractor agrees that for a period of seven (7) years following the furnishing of services under this Agreement; three (3) years after final audit is completed including appeals, or seven (7) years after termination of this Agreement; whichever occurs later, Contractor shall maintain and make available to the DHCS, the Secretary of the United States Department of Health and Human Services (HHS), or the Controller General of the United States, and any other authorized federal and State agencies, or to any of their duly authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the cost of services hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or more over a 12-month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor as provided in Paragraph 10 and in this Paragraph 13.
- (5) Federal Access to Records: Grant-funded programs require audits and compliance with federal guidelines pursuant to OMB Uniform Guidance, Subpart F: Single Audit Requirements. If, and to the extent that, Section

1861(v)(1)(I) of the Social Security Act (42 United States Code Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of seven (7) years following the furnishing of services under this Agreement, three (3) years after final audit is completed including appeals, or seven (7) years after termination of this Agreement; whichever, is later, Contractor shall maintain and make available to the Secretary of the United States Department of HHS, or the Controller General of the United States, or to any of their duly authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the cost of services hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of TEN THOUSAND DOLLARS (\$10,000) or more over a 12-month period with a related organization (as that term is defined under federal law), Contractor agrees that each such subcontractor shall provide for such access to the subcontract, books, documents and records of the subcontractor as provided in Paragraph 10 and in this Paragraph 13.

14. **REPORTS:**

- A. Contractor shall make reports as required by Director, State, or the federal government regarding Contractor's activities and operations as they relate to Contractor's performance of this Agreement. In no event may County require such reports unless it has provided Contractor with at least 30 calendar days' prior written notification. County shall provide Contractor with a written explanation of the procedures for reporting the required information.
- B. **Income Tax Withholding:** Upon Director's request, Contractor shall provide County with certain documents relating to Contractor's income tax returns and employee income tax withholding. These documents shall include, but are not limited to:
 - (1) A copy of Contractor's federal and State quarterly income tax withholding returns (i.e., Federal Form 941 and/or State Form DE-3 or their equivalents).

- (2) A copy of a receipt for, or other proof of payment of, each employee's federal and State income tax withholding, whether such payments are made on a monthly or quarterly basis.

C. County Claims Processing Information System:

- (1) Notwithstanding any other provision of this Agreement, only units of service submitted by Contractor into the County's claims processing information system shall be counted as delivered units of service.
- (2) Notwithstanding any other provision of this Agreement, the only units of service which shall be considered valid and reimbursable at Annual Cost Report Reconciliation and Settlement, Cost Report Audit Settlement, or at any other time otherwise shall be those units of service that are submitted by Contractor into the County's claims processing information system by the County's year-end cutoff date in accordance with the terms of this Agreement and its attachments thereto, including but not limited to Attachment II, Financial Exhibit A (Financial Provisions), and which are not voided, replaced and/or denied for any reason, except due to the fault of the County. Notwithstanding any other provision of this Agreement, claims entered into the County's claim processing information system shall be attributed to a specific Funded Program and Subprogram based upon the plan identified by Contractor when submitting the claim into the County's claims processing information system.
- (3) Contractor shall train its staff in the operation, procedures, policies, and all related use, of the County's claims processing information system as required by County. County shall train Contractor's designated trainer in the operation, procedures, policies, and all related use of the County's information system.

15. **CONFIDENTIALITY:** Contractor shall maintain the confidentiality of all records and information, including, but not limited to, claims, County records, patient/client records and information, and County claims processing information system records, in accordance with WIC Sections 5328 through 5330, inclusive, and all other applicable County, State, and federal laws, ordinances, rules, regulations, manuals, guidelines, and directives, relating to

confidentiality and privacy. Contractor shall require all its officers, employees, and agents providing services hereunder to acknowledge, in writing, understanding of, and agreement to fully comply with, all such confidentiality and privacy provisions. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all loss, damage, liability, and expense arising from any disclosure of such records and information by Contractor, its officers, employees, or agents. Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Attachment X -1.

16. **PATIENTS/CLIENTS' RIGHTS:** Contractor shall comply with all applicable patients'/clients' rights provisions, including, but not limited to, WIC Section 5325 et seq., CCR Title 9, Section 850 et seq., and CCR Title 22. Further, Contractor shall comply with all patients'/clients' rights policies provided by County. County Patients' Rights Advocates shall be given access by Contractor to all patients'/clients, patients'/clients' records, and Contractor's personnel in order to monitor Contractor's compliance with all applicable statutes, regulations, manuals and policies.

17. **REPORTING OF PATIENT/CLIENT ABUSE AND RELATED PERSONNEL REQUIREMENTS:**

A. **Elders and Dependent Adults Abuse:** Contractor, and all persons employed or subcontracted by Contractor, shall comply with WIC Section 15600 et seq. and shall report all known or suspected instances of physical abuse of elders and dependent adults under the care of Contractor either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by WIC Sections 15630, and permitted by Sections 15631 and 15632. Contractor and all persons employed or subcontracted by Contractor shall make the report on such abuse, and shall submit all required information, in accordance with WIC Sections 15630, 15633 and 15633.5.

B. **Minor Children Abuse:** Contractor and all persons employed or subcontracted by Contractor, shall comply with California Penal Code Section 11164 et seq. and shall report all known or suspected instances of child abuse to an appropriate child protective agency, as mandated by California Penal Code Sections 11164, 11165.9, and 11166. Contractor and all persons employed or subcontracted by Contractor, shall make the report on such

abuse, and shall submit all required information, in accordance with California Penal Code Sections 11166 and 11167.

C. Contractor Staff:

- (1) Contractor shall assure that any person who enters into employment as a care custodian of elders, dependent adults or minor children, or who enters into employment as a health or other practitioner, prior to commencing employment, and as a prerequisite to that employment, shall sign, on a form provided by Contractor in accordance with the above code sections, a statement to the effect that such person has knowledge of, and will comply with, these code sections.
- (2) Contractor shall assure that clerical and other non-treatment staff who are not legally required to report suspected cases of abuse, consult with mandated reporters upon suspecting any abuse.
- (3) For the safety and welfare of elders, dependent adults, and minor children, Contractor shall, to the maximum extent permitted by law, ascertain arrest and conviction records for all current and prospective employees and shall not employ or continue to employ any person convicted of any crime involving any harm to elders, dependent adults, or minor children.
- (4) Contractor shall not employ or continue to employ any person whom Contractor knows, or reasonably suspects, has committed any acts which are inimical to the health, morals, welfare, or safety of elders, dependent adults or minor children, or which otherwise make it inappropriate for such person to be employed by Contractor.

18. **NONDISCRIMINATION IN SERVICES:**

- A. Contractor shall not discriminate in the provision of services hereunder because of race, religion, national origin, ancestry, gender, age, marital status, sexual orientation and/or physical or mental handicap or medical conditions (except to the extent clinically appropriate), in accordance with requirements of federal and State law. For the purpose of this Paragraph 18, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility;

providing any service or benefit to any person which is different or is provided in a different manner or at a different time from that provided to others; subjecting any person to segregation or separate treatment in any matter related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment, eligibility, membership, or any other requirement or condition which persons must meet in order to be provided any service or benefit. Contractor shall take affirmative steps to ensure that those persons who qualify for services under this Agreement are provided services without regard to ability to pay or source of payment, race, religion, national origin, ancestry, gender, age, marital status, sexual orientation and/or physical or mental handicap, or medical conditions.

- B. Contractor shall establish and maintain written complaint procedures under which any person applying for or receiving any services under this Agreement may seek resolution from Contractor of a complaint with respect to any alleged discrimination in the rendering of services by Contractor's personnel. Such procedures shall also include a provision whereby any such person, who is dissatisfied with Contractor's resolution of the matter, shall be referred by Contractor to Director for the purpose of presenting his complaint of the alleged discrimination. Such complaint procedures shall also indicate that if such person is not satisfied with County's resolution or decision with respect to the complaint of alleged discrimination, such person may appeal the matter to the State, if appropriate.
- C. If direct services (e.g., 24-hour services, day services, targeted case management, mental health services, medication support, and crisis intervention) are provided hereunder, Contractor shall have admission policies which are in accordance with CCR Title 9, Sections 526 and 527, and which shall be in writing and available to the public. Contractor shall not employ discriminatory practices in the admission of any person, assignment of accommodations, or otherwise. Any time any person applies for services under this Agreement, such person shall be advised by Contractor of the

complaint procedures described in the above paragraph. A copy of such complaint procedures shall be posted by Contractor in each of Contractor's facilities where services are provided under this Agreement in a conspicuous place, available and open to the public.

19. **NONDISCRIMINATION IN EMPLOYMENT:**

- A. Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to, or because of, race, color, religion, national origin, ancestry, gender, age (over 40), marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- B. Contractor shall certify to, and comply with, the provisions of Attachment XI – Contractor's Equal Employment Opportunity (EEO) Certification.
- C. Contractor shall take affirmative steps to ensure that qualified applicants are employed, and that employees are treated during employment without regard to race, color, religion, national origin, ancestry, gender, age (over 40), marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Such treatment shall include, but is not limited to, the following actions: employment, upgrading, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or

termination, rates of pay or other forms of compensation, selection for training, including apprenticeship, and granting or denying family care leave. Contractor shall not discriminate against or harass, nor shall it permit harassment of, its employees during employment based upon race, color, religion, national origin, ancestry, gender, age (over 40), marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, or political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Contractor shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment, and will comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.).

- D. Contractor shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, national origin, ancestry, gender, age, marital status, sexual orientation, condition of physical handicap (including HIV and AIDS) or mental handicap, disability, medical condition (e.g., cancer), denial of family care leave, political affiliation, status as a disabled veteran or veteran of the Vietnam era and in compliance with all applicable federal and State anti-discrimination laws and regulations. Further, Contractor shall give written notice of its obligations under this Paragraph 19 to labor organizations with which it has a collective bargaining or other agreement.
- E. Contractor shall allow State and/or County representative's access to its books, accounts, and records during regular business hours to verify compliance with the provisions of this Paragraph 19 when so requested by Director.
- F. If County finds that any of the above provisions has been violated, the same shall constitute a material breach of this Agreement upon which County may immediately terminate, cancel, or suspend this Agreement. The County

reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated. In addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or federal anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

- G. In the event that Contractor violates any of the anti-discrimination provisions of this Paragraph 19, County shall be entitled, at its option, to the sum of FIVE HUNDRED DOLLARS (\$500) pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.
- H. Contractor shall include the provisions of this Paragraph 19 in every subcontract or purchase order unless otherwise expressly exempted.

20. **FAIR LABOR STANDARDS:** Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for services performed by Contractor's employees for which County may be found jointly or solely liable.

21. **INDEMNIFICATION AND INSURANCE:**

- A. **Indemnification:** Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.
- B. **General Provisions for all Insurance Coverage:** Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying

the requirements specified in Subparagraphs B and C of this Paragraph 21. These minimum insurance coverage terms, types and limits (the “Required Insurance”) also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

(1) Evidence of Coverage and Notice to County

- (a) Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor’s General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- (b) Renewal Certificates shall be provided to County not less than 10 days prior to Contractor’s policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Subcontractor insurance policies at any time.
- (c) Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- (d) Neither the County’s failure to obtain, nor the County’s receipt of, or failure to object to a non-complying insurance certificate

or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Los Angeles County - Department of Mental Health
Contracts Development and Administration Division
550 S. Vermont Ave., 5th Floor
Los Angeles, CA 90020

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

(2) Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

(3) Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least 10 days in advance of cancellation for non-payment of premium and 30 days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance—may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

(4) Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

(5) Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

(6) Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

(7) Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

(8) Subcontractor Insurance Coverage Requirements

Contractor shall include all Subcontractors as insureds under Contractor's own policies, or shall provide County with each Subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein, and shall require that each Subcontractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Subcontractor request for modification of the Required Insurance.

(9) Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

(10) Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

(11) Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as (“follow form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

(12) Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

(13) Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

(14) County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County’s determination of changes in risk exposures.

C. Insurance Coverage:

(1) Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

(2) Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor’s use of autos pursuant to this Agreement, including

owned, leased, hired, and/or non-owned autos, as each may be applicable.

- (3) Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than 30 days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

(4) Unique Insurance Coverage

(a) Sexual Misconduct Liability

Insurance covering actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

(b) Professional Liability/Errors and Omission

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$3 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

(c) Property Coverage

Contractors given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as an Additional Insured and Loss Payee on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

(d) Privacy/Network Security (Cyber) Liability

Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of not less than \$2 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

22. **WARRANTY AGAINST CONTINGENT FEES**: Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for any commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business. For Contractor's breach or violation of this warranty, County may, in its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

23. **CONFLICT OF INTEREST:**

- A. No County employee whose position in County enables such employee to influence the award or administration of this Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the provision of services hereunder shall in any way participate in County's approval, or ongoing evaluation, of such services, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such services.
- B. Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which create a conflict of interest. If Contractor hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, without limitation, identification of all persons implicated and complete description of all relevant circumstances. Failure to comply with the provisions of this sub-paragraph shall be a material breach of this Agreement.

24. **UNLAWFUL SOLICITATION:** Contractor shall require all of its employees to acknowledge, in writing, understanding of an agreement to comply with the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to insure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral services of all those bar associations within the County of Los Angeles that have such a service.

25. **INDEPENDENT STATUS OF CONTRACTOR:**

- A. This Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and

Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

- B. Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.
- C. Contractor understands and agrees that all persons performing services pursuant to this Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall be solely liable and responsible for furnishing any and all workers' compensation benefits to any person as a result of any injuries arising from or connected with any services performed by or on behalf of Contractor pursuant to this Agreement.
- D. Contractor shall obtain and maintain on file an executed Contractor Employee Acknowledgement and Confidentiality Agreement, in the form as contained in Attachment X – 2 for this Agreement, for each of its employees performing services under this Agreement. Such Acknowledgments shall be executed by each such employee and non-employee on or immediately after the commencement date of this Agreement but in no event later than the date such employee first performs services under this Agreement.

26. **CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR FORMER COUNTY EMPLOYEES ON A REEMPLOYMENT LIST:** Should Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff or qualified former County employees who are on a reemployment list during the term of this Agreement.

27. **CONSIDERATION FOR HIRING GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT:**

- A. Should Contractor require additional or replacement personnel after the effective date of this agreement, contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' GAIN Program or GROW Program who meet Contractor's minimum qualifications for the open position. If Contractor decides to pursue consideration of GAIN/GROW participants for hiring, Contractor shall provide information regarding job openings and job requirements to Department of Public Social Services' GAIN/GROW staff at GAINGROW@dpss.lacounty.gov. County will refer GAIN/GROW participants, by job category, to Contractor.
- B. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

28. **DELEGATION AND ASSIGNMENT BY CONTRACTOR:**

- A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to this Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.
- B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have in Contractor. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or entity other than the majority controlling interest therein at the time of execution of this

Agreement, such disposition shall be deemed an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

- C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

29. **SUBCONTRACTING:**

- A. No performance of this Agreement, or any portion thereof, shall be subcontracted by Contractor without the prior written consent of County as provided in this Paragraph 29. Any attempt by Contractor to subcontract any performance, obligation, or responsibility under this Agreement, without the prior written consent of County, shall be null and void and shall constitute a material breach of this Agreement. Notwithstanding any other provision of this Agreement, in the event of any such breach by Contractor, this Agreement may be terminated forthwith by County. Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement.
- B. If Contractor desires to subcontract any portion of its performance, obligations, or responsibilities under this Agreement, Contractor shall make a written request to County for written approval to enter into the particular subcontract. Contractor's request to County shall include:
 - (1) The reasons for the particular subcontract.
 - (2) A detailed description of the services to be provided by the subcontract.

- (3) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the degree of competition involved.
- (4) A description of the proposed subcontract amount and manner of compensation, together with Contractor's cost or price analysis thereof.
- (5) A copy of the proposed subcontract which shall contain the following provision:

"This contract is a subcontract under the terms of the prime contract with the County of Los Angeles and shall be subject to all of the provisions of such prime contract, including those related to ensuring high quality of services and outcomes.

- (6) A copy of the proposed subcontract, if in excess of \$10,000 and utilizes public funds, shall also contain the following provision:

"The contracting parties shall be subject to the examination and audit of the State Auditor, pursuant to the California Government Code, Section 8546.7, for a period of seven (7) years from the end of the Fiscal Year in which such services were provided or until final resolution of any audits, whichever occurs later.

Further, the Contractor will also be subject to the examination and audit of the State Auditor, pursuant to the Government Code, Section 8546.7, for a period of seven (7) years from the end of the fiscal year in which such services were provided or until final resolution of any audits, whichever occurs later.

- (7) Any other information and/or certifications requested by County.

- C. County shall review Contractor's request to subcontract and shall determine, in its sole discretion, whether or not to consent to such request on a case-by-case basis.
- D. Contractor shall indemnify and hold harmless County, its officers, employees, and agents, from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and legal fees, arising from or related to Contractor's use of any subcontractor, including any officers,

employees, or agents of any subcontractor, in the same manner as required for Contractor, its officers, employees, and agents, under this Agreement.

- E. Notwithstanding any County consent to any subcontracting, Contractor shall remain fully liable and responsible for any and all performance required of it under this Agreement, and no subcontract shall bind or purport to bind County. Further, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County, nor shall such approval limit in any way any of County's rights or remedies contained in this Agreement. Additionally, County approval of any subcontract shall not be construed in any way to constitute the determination of the allowability or appropriateness of any cost or payment under this Agreement.
- F. In the event that County consents to any subcontracting, such consent shall be subject to County's right to give prior and continuing approval of any and all subcontractor personnel providing services under such subcontract. Contractor shall assure that any subcontractor personnel not approved by County shall be immediately removed from the provision of any services under the particular subcontract or that other action is taken as requested by County. County shall not be liable or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents of Contractor or any subcontractor, for any liability, damages, costs or expenses arising from or related to County's exercise of such right.
- G. In the event that County consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such action is deemed by County to be in its best interest. County shall not be liable or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents of Contractor or any subcontractor, for any liability, damages, costs, or expenses arising from or related to County's exercise of such right.
- H. In the event that County consents to any subcontracting, each and all of the provisions of this Agreement and any amendment thereto shall extend to, be

binding upon, and inure to the benefit of, the successors or administrators of the respective parties.

- I. In the event that County consents to any subcontracting, such consent shall apply to each particular subcontract only and shall not be, or be construed to be, a waiver of this Paragraph 29 or a blanket consent to any further subcontracting.
- J. In the event that County consents to any subcontracting, Contractor shall be solely liable and responsible for any and all payments and/or other compensation to all subcontractors and their officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment and/or other compensation for any subcontractors or their officers, employees, and agents.
- K. Contractor shall deliver to the Chief of DMH's Contracts Development and Administration Division a fully executed copy of each subcontract entered into by Contractor pursuant to this Paragraph 29, on or immediately after the effective date of the subcontract but in no event later than the date any services are performed under the subcontract.
- L. In the event that County consents to any subcontracting, Contractor shall obtain and maintain on file an executed Contractor Non-Employee Acknowledgement and Confidentiality Agreement, in the form as contained in Attachment X - 3 of this Agreement, for each of the subcontractor's employees performing services under the subcontract. Such Acknowledgments shall be obtained and maintained on file and made available upon request on or immediately after the commencement date of the particular subcontract but in no event later than the date such employee first performs any services under the subcontract.
- M. County shall have no liability or responsibility whatsoever for any payment or other compensation for any subcontractor or its officers, employees, and agents.
- N. Director or his designee is hereby authorized to act for and on behalf of County pursuant to this Paragraph 29, including, but not limited to, consenting to any subcontracting.

30. **GOVERNING LAW, JURISDICTION AND VENUE:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. Further, this Agreement shall be governed by, and construed in accordance with, all laws, regulations, and contractual obligations of County under its agreement with the State.

31. **COMPLIANCE WITH APPLICABLE LAW:**

- A. Contractor shall comply with all federal laws, including, but not limited to, Title XIX of the Social Security Act, State, and local laws, ordinances, rules, regulations, manuals, guidelines, Americans with Disabilities Act (ADA) standards, and directives applicable to its performance hereunder. Further, all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.
- B. Contractor shall be governed by and comply with all contractual obligations of the DHCS' Mental Health Plan Agreement with the County.
- C. Contractor shall indemnify and hold harmless County from and against any and all liability, damages, costs or expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of Contractor, its officers, employees, or agents, of any such federal, State or local laws, ordinances, rules, regulations, manuals, guidelines, ADA standards, or directives.
- D. Contractor shall maintain in effect an active compliance program in accordance with the recommendations set forth by the Department of Health and Human Services, Office of the Inspector General.
- E. Duty to Notify: Contractor agrees to notify County of any and all legal complaints, citations, enforcement proceedings, administrative proceedings, judgments or litigation, known to Contractor, whether civil or criminal initiated against Contractor, its officers, employees, or agents which are likely to have a material effect on the organization's stewardship, financial position and/or ability to perform and deliver services under this contract.

32. **THIRD PARTY BENEFICIARIES:** Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement.

33. **LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS, AND CERTIFICATES:**

- A. Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations, and certificates (including, but not limited to, certification as a Short-Doyle/Medi-Cal and/or Medicare provider if Title XIX Short-Doyle/Medi-Cal and/or Medicare services are provided hereunder), as required by all federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines, and directives, which are applicable to Contractor's facility(ies) and services under this Agreement. Contractor shall further ensure that all of its officers, employees, and agents, who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations, and certificates which are applicable to their performance hereunder. A copy of each such license, permit, registration, accreditation, and certificate (including, but not limited to, certification as a Short-Doyle/Medi-Cal and/or Medicare provider if Title XIX Short-Doyle/Medi-Cal and/or Medicare services are provided hereunder) as required by all applicable federal, State, and local laws, ordinances, rules, regulations, manuals, guidelines and directives shall be retained and current updates of such documents shall be maintained, and made available upon request, not to exceed three (3) business days after the initial request, for inspection, review, and/or audit by authorized representatives and designees of County, State, and/or federal governments during the term of this Agreement and during the applicable period of records retention.
- B. If Contractor is a participant in the Short-Doyle/Medi-Cal and/or Medicare program, Contractor shall keep fully informed of all current Short-Doyle/Medi-Cal Policy Letters, including, but not limited to, procedures for maintaining Medi-Cal and Medicare certifications of all its facilities.

- C. Contractor shall ensure that any independent contractors (i.e., individuals who are not employees but who are contracted by Contractor to perform services hereunder) who prescribe medications, in addition to obtaining and maintaining all licenses, permits, registrations, accreditations, and certificates which are applicable to their performance hereunder, are credentialed by DMH and maintain such credentialing in effect during the term of this Agreement.

34. **CHILD SUPPORT COMPLIANCE PROGRAM:**

- A. Contractor's Warranty of Adherence to County's Child Support Compliance Program: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 United States Code (USC) Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).
- B. Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program: Failure of Contractor to maintain compliance with the requirements set forth in Subparagraph A (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 90 calendar days of written

notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 36 (TERMINATION FOR DEFAULT) and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

35. **TERMINATION FOR INSOLVENCY:**

- A. County may terminate this Agreement immediately in the event of the occurrence of any of the following:
- (1) Insolvency of Contractor: Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least 60 days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the Federal Bankruptcy Code.
 - (2) The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code.
 - (3) The appointment of a Receiver or Trustee for Contractor.
 - (4) The execution by Contractor of a general assignment for the benefit of creditors.
- B. The rights and remedies of County provided in this Paragraph 35 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

36. **TERMINATION FOR DEFAULT:**

- A. County may, by written notice of default to Contractor, terminate this Agreement immediately in any one of the following circumstances:
- (1) If, as determined in the sole judgement of County, Contractor fails to perform any services within the times specified in this Agreement or any extension thereof as County may authorize in writing; or
 - (2) If, as determined in the sole judgment of County, Contractor fails to perform and/or comply with any of the other provisions of this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two (2) circumstances, does not cure such failure within a period of five

(5) days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

- B. In the event that County terminates this Agreement as provided in Subparagraph A, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those so terminated, and Contractor shall be liable to County for any reasonable excess costs incurred by County, as determined by County, for such similar services.
- C. The rights and remedies of County provided in this Paragraph 36 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

37. **TERMINATION FOR IMPROPER CONSIDERATION**: County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by the Contractor.

Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

38. **SEVERABILITY**: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

39. **CAPTIONS AND PARAGRAPH HEADINGS**: Captions and paragraph headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement.

40. **ALTERATION OF TERMS:**

A. No addition to, or alteration of, the terms of the body of this Agreement, or the Service Exhibit(s) hereto, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Agreement which is formally approved and executed by the parties in the same manner as this Agreement.

B. Administrative Amendments: Modifications to this Agreement may be accomplished using an administrative amendment process for the following purposes:

- Change of Contractor's name.
- Change of Contractor's headquarter's address.
- Change, revision, addition, or deletion of Provider site address.
- Change, revision, addition, or deletion of Provider site number.
- Change, revision, addition, or deletion of Provider site name.
- Change, revision, addition, or deletion of services previously approved within the Legal Entity for an existing or new Provider site.
- Technical Corrections.
- Shifting of funds between currently contracted Funded Programs so long as such shifting will not cause Contractor to increase its Maximum Contract Amount.

(1) Such administrative amendment may be executed by the Director under delegated authority from the Board of Supervisors without prior approval of County Counsel. Such administrative amendment may be initiated by the County, with Contractor's written consent. Contractor's signature will be required to make such administrative amendments effective.

41. **ENTIRE AGREEMENT:** The body of this Agreement, all attachments, Financial Exhibit A (Financial Provisions), Fiscal Years, Service Delivery Site Exhibit, and Service Exhibit(s) _____, attached hereto and incorporated herein by reference, and Contractor's Negotiation Package for this Agreement, as approved in writing by the Director, including any addenda thereto as approved in writing

by the Director, which are hereby incorporated herein by reference but not attached, shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, or schedule, or the contents or description of any service or other work, or otherwise, between the body of this Agreement and the other referenced documents, or between such other documents, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Agreement and its definitions and then to such other documents according to the following priority:

- A. Financial Exhibit A (Financial Provisions)
- B. Intentionally Omitted
- C. Service Delivery Site Exhibit(s)
- D. Service Exhibit(s)
- E. Required Supplemental Documents
- F. Contractor's Negotiation Package (Subprogram Schedule)

42. **WAIVER**: No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 42 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

43. **EMPLOYMENT ELIGIBILITY VERIFICATION**: Contractor warrants that it fully complies with all federal statutes and regulations regarding employment of aliens and others and that all its employees performing services hereunder meet the citizenship or alien status requirements set forth in federal statutes and regulations. Contractor shall obtain, from all covered employees performing services hereunder, all verification and other documentation of employment eligibility status required by federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless County, its officers and employees from and against any employer sanctions and any other liability which may be assessed against Contractor or County in

connection with any alleged violation of any federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

44. **PUBLIC ANNOUNCEMENTS AND LITERATURE**: In public announcements and literature distributed by Contractor for the purpose of apprising patients/clients and the general public of the nature of its treatment services, Contractor shall clearly indicate that the services which it provides under this Agreement are funded by the County of Los Angeles.

45. **PURCHASES**:

- A. **Purchase Practices**: Contractor shall fully comply with all federal, State and County laws, ordinances, rules, regulations, manuals, guidelines, and directives, in acquiring all furniture, fixtures, equipment, materials, and supplies. Such items shall be acquired at the lowest possible price or cost if funding is provided for such purposes hereunder.
- B. **Proprietary Interest of County**: In accordance with all applicable federal, State and County laws, ordinances, rules, regulations, manuals, guidelines and directives, County shall retain all proprietary interest, except the use during the term of this Agreement, in all furniture, fixtures, equipment, materials, and supplies, purchased or obtained by Contractor using any County funds. Upon the expiration or termination of this Agreement, the discontinuance of the business of Contractor, the failure of Contractor to comply with any of the provisions of this Agreement, the bankruptcy of Contractor or its giving an assignment for the benefit of creditors, or the failure of Contractor to satisfy any judgment against it within 30 calendar days of filing, County shall have the right to take immediate possession of all such furniture, removable fixtures, equipment, materials, and supplies, without any claim for reimbursement whatsoever on the part of Contractor. County, in conjunction with Contractor, shall attach identifying labels on all such property indicating the proprietary interest of County.
- C. **Inventory Records, Controls and Reports**: Contractor shall maintain accurate and complete inventory records and controls for all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds. Within 90 calendar days following the execution of this Agreement,

Contractor shall provide Director with an accurate and complete inventory report of all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds. The inventory report shall be prepared by Contractor on a form or forms designated by Director, certified and signed by an authorized officer of Contractor, and one copy thereof shall be delivered to County within 30 calendar days of any change in the inventory. Within five business days after the expiration or termination of the Agreement, Contractor shall submit to County six copies of the same inventory report updated to the expiration or termination date of the Agreement, certified and signed by an authorized officer of Contractor, based on a physical count of all items of furniture, fixtures, equipment, materials, and supplies, as of such expiration or termination date.

- D. Protection of Property in Contractor's Custody: Contractor shall maintain vigilance and take all reasonable precautions, to protect all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds, against any damage or loss by fire, burglary, theft, disappearance, vandalism or misuse. In the event of any burglary, theft, disappearance, or vandalism of any item of furniture, fixtures, equipment, materials, and supplies, Contractor shall immediately notify the police and make a written report thereof, including a report of the results of any investigation which may be made. In the event of any damage or loss of any item of furniture, fixtures, equipment, materials, and supplies, from any cause, Contractor shall immediately send Director a detailed, written report. Contractor shall contact DMH's Administrative Services Division for instructions for disposition of any such property which is worn out or unusable.
- E. Disposition of Property in Contractor's Custody: Upon the termination of the funding of any program covered by this Agreement, or upon the expiration or termination of this Agreement, or at any other time that County may request, Contractor shall: (1) provide access to and render all necessary assistance for physical removal by County or its authorized representatives of any or all furniture, fixtures, equipment, materials, and supplies, purchased or obtained using any County funds, in the same condition as such property was received

by Contractor, reasonable wear and tear excepted, or (2) at Director's option, deliver any or all items of such property to a location designated by Director. Any disposition, settlement or adjustment connected with such property shall be in accordance with all applicable federal, State and County laws, ordinances, rules, regulations, manuals, guidelines and directives.

46. **AUTHORIZATION WARRANTY**: Contractor represents and warrants that the person executing this Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of this Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

47. **RESTRICTIONS ON LOBBYING**: If any federal funds are to be used to pay for any of Contractor's services under this Agreement, Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds under this Agreement also fully complies with all such certification and disclosure requirements.

48. **CERTIFICATION OF DRUG-FREE WORK PLACE**: Contractor certifies and agrees that Contractor and its employees shall comply with DMH's policy of maintaining a drug-free work place. Contractor and its employees shall not manufacture, distribute, dispense, possess, or use any controlled substances as defined in 21 United States Code Section 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any of Contractor's facilities or work sites or County's facilities or work sites. If Contractor or any of its employees is convicted of or pleads nolo contendere to any criminal drug statute violation occurring at any such facility or work site, then Contractor, within five (5) days thereafter, shall notify Director in writing.

49. **COUNTY LOBBYISTS**: Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

50. **MAINTENANCE STANDARDS FOR SERVICE DELIVERY SITES:** Contractor shall assure that all locations where services are provided under this Agreement are operated at all times in accordance with all County community standards with regard to property maintenance and repair, graffiti abatement, refuse removal, fire safety, landscaping, and in full compliance with all applicable local laws, ordinances, and regulations relating to the property. County's periodic monitoring visits to Contractor's facility(ies) shall include a review of compliance with this Paragraph 50.

51. **NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT:** Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

52. **USE OF RECYCLED-CONTENT PAPER PRODUCTS:** Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the Project.

53. **CONTRACTOR RESPONSIBILITY AND DEBARMENT:** The following requirements set forth in the County's Non-Responsibility and Debarment Ordinance (Title 2, Chapter 2.202 of the County Code) are effective for this Agreement, except to the extent applicable State and/or federal laws are inconsistent with the terms of the Ordinance.

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Agreements which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the

circumstances, and terminate any or all existing Agreements the Contractor may have with the County.

- C. The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of an Agreement with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

- G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
- H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
- I. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- J. These terms shall also apply to subcontractors of County Contractors.

54. **CONTRACTOR'S EXCLUSION FROM PARTICIPATION IN A FEDERALLY FUNDED PROGRAM:** Contractor hereby warrants that neither it nor any of its staff members is restricted, excluded or suspended from providing services under any health

care program funded by the federal government, directly or indirectly, in whole or in part, and that Contractor will notify Director within 30 calendar days in writing of: (1) any event that would require Contractor or a staff member's mandatory exclusion or suspension from participation in a federally funded health care program; and (2) any exclusionary or suspension action taken by any agency of the federal or State governments against Contractor or one or more staff members barring it or the staff members from participation in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part. This warranty and notice requirements apply equally to suspensions from the Medi-Cal program as well as any other federally funded health care programs including but not limited to Medicare and Healthy Families.

There are a variety of different reasons why an individual or entity may be excluded from participating in a federally funded health care program. Sometimes, the exclusion is mandatory and in other cases the Office of Inspector General (OIG), and State officials have the discretion not to exclude.

The mandatory bases for federal exclusion include: (1) felony convictions for program related crimes, including fraud or false claims, or for offenses related to the dispensing or use of controlled substances, or (2) convictions related to patient abuse.

Permissive exclusions may be based on: (1) conviction of a misdemeanor related to fraud or financial misconduct involving a government program; (2) obstructing an investigation; (3) failing to provide access to documents or premises as required by federal health care program officials; (4) conviction of a misdemeanor related to controlled substances; (5) failing to disclose information about the entity itself, its subcontractors or its significant business transactions; (6) loss of a State license to practice a health care profession; (7) default on a student loan given in connection with education in a health profession; (8) charging excessive amounts to a federally funded health care program or furnishing services of poor quality or which are substantially in excess of the needs of the patients; (9) paying a kickback or submitting a false or fraudulent claim. Persons controlling or managing excluded entities who knew of the conduct leading to the exclusion can themselves be excluded, and entities which are owned and controlled by excluded individuals can also be excluded. Mandatory exclusions under State law from Medi-Cal are similar but also include convictions of a misdemeanor for fraud or abuse involving the Medi-Cal program or a Medi-Cal beneficiary.

Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any federal or State exclusion or suspension of Contractor or its staff members from such participation in a federally funded health care program. Contractor shall provide the certification set forth in Attachment VI (Attestation Regarding Federally Funded Program) as part of its obligation under this Paragraph 54.

Contractor shall also comply with DMH Policy "Contractors Eligibility to Provide Goods and Services to Federally Funded Health Care Programs and to Secure Federally Funded Contracts" which includes the following topics: 1) Contractor's responsibility for any and all Civil Monetary Penalties associated with repayments for claims submitted for excluded or suspended agencies or individuals and 2) Contractor's responsibility to provide employee identification information within three (3) business days should DMH or its representatives request it related to sanction list screening compliance.

Failure by Contractor to meet the requirements of this Paragraph 54 shall constitute a material breach of Agreement upon which County may immediately terminate or suspend this Agreement.

55. **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT:**

- A. The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996, its implementing regulations (HIPAA), and subtitle D, Privacy, of the Health Information Technology for Economic and Clinical Health Act (HITECH). Contractor understands and agrees that it is a "Covered Entity" under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.
- B. The parties acknowledge their separate and independent obligations with respect to HIPAA and HITECH, and that such obligations relate to *transactions and code sets, privacy, and security*. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA and HITECH in all these areas and that County has not undertaken any responsibility for compliance on Contractor's behalf.

Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor's obligations under HIPAA or HITECH, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.

- C. Contractor and County understand and agree that each is independently responsible for HIPAA and HITECH compliance and agree to take all necessary and reasonable actions to comply with the requirements of HIPAA law and implementing regulations related to Transactions and Code Sets, Privacy, and Security. Each party further agrees to indemnify and hold harmless the other party (including their officers, employees and agents) for its failure to comply with HIPAA or HITECH.
- D. Contractor and County understand and agree that HIPAA has imposed additional requirements in regards to changes in DMH's County's information system.
 - (1) County has a Guide to Procedure Codes available at <http://lacdmh.lacounty.gov/hipaa/index.html> which includes a "crosswalk" of DMH activity codes to Current Procedural Terminology (CPT) and Health Care Procedure Coding System (HCPCS) codes.
 - (2) County has electronic Data Interchange (EDI) Agreement forms available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html and http://lacdmh.lacounty.gov/hipaa/IBHIS_EDI_homepage.html which includes information about the applicable HIPAA transactions that can be processed in the County's Integrated System (IS) and the Integrated Behavioral Health Information System (IBHIS) respectively.
 - (3) Contractor acknowledges that County is transitioning from the IS to IBHIS in which clinical, demographic, administrative, financial, claims, outcomes, and other information will be exchanged between DMH and contract providers exclusively through the use of EDI transactions and other County defined b2b ("Business-to-Business") data collection and interoperability solutions.
 - (4) As County defines requirements for each transaction and determines the method by which each transaction is to be

exchanged between Contractor and County, County shall notify Contractor of the effective date(s) by which Contractor shall be required to implement each newly defined interface through County's release of revised Companion Guides. Revised Companion Guides shall be released prior to the effective date(s) upon which each newly defined interface is required in accordance with the schedule below and in accordance with County's estimate of the effort required to implement each newly defined interface, unless earlier effective date(s) are imposed by law or regulation, or earlier effective dates(s) are established by mutual agreement between County and Contractor.

- (a) 120 days for new interface requiring major development and testing,
- (b) 90 days for new interfaces requiring moderate development and testing; and
- (c) 60 days for new interfaces requiring minimal development and testing.

- (5) Contractor acknowledges that County may modify interfaces requirements as deemed needed by County. County shall notify Contractor of the effective dates(s) by which Contractor shall be required to comply with each modified interface in accordance with County's revised requirements through County's release of revised Companion Guides. Revised Companion Guides shall be released prior to the effective date(s) upon which each modified interface is required in accordance with the schedule below and in accordance with County's estimate of the effort required to implement each revised interface, unless earlier effective dates(s) are imposed by law or regulation, or earlier effective dates(s) are established by mutual agreement between County and Contractor.

- (a) 90 days for existing interfaces requiring major development and testing;

- (b) 60 days for existing interfaces that requiring moderate development and testing; and
 - (c) 30 days for existing interfaces requiring minimal development and testing.
- (6) Contractor agrees to comply with the exchange of all required interfaces specified by County and the method by which these transactions are to be exchanged between Contractor and County as of the effective date(s) specified by County.
- (7) County has Trading Partner Agent Authorization Agreements available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html and http://lacdmh.lacounty.gov/hipaa/IBHIS_EDI_homepage.html which includes the Contractor's authorization to its Agent(s) to submit HIPAA-compliant transactions on behalf of Contractor to the IS and IBHIS respectively.
- E. Contractor understands that County operates an informational website <http://dmh.lacounty.gov/wps/portal/dmh> related to the services under this Agreement and the parties' HIPAA obligations, and agrees to undertake reasonable efforts to utilize said website to obtain updates, other information, and forms to assist Contractor in its performance.
- F. Contractor understands and agrees that if it uses the services of an Agent in any capacity in order to receive, transmit, store or otherwise process Data or Data Transmissions or perform related activities, the Contractor shall be fully liable to DMH for any acts, failures or omissions of the Agent in providing said services as though they were the Contractor's own acts, failures, or omissions.
- G. Contractor further understands and agrees that the terms and conditions of the current IS and IBHIS Trading Partner Agreements (TPA) available at http://lacdmh.lacounty.gov/hipaa/edi_homepage.html and http://lacdmh.lacounty.gov/hipaa/IBHIS_EDI_homepage.html respectively, shall apply to this Agreement and that said Terms and Conditions are incorporated by reference as though fully set forth herein.

- H. Contractor acknowledges that County participates in the Meaningful Use of Electronic Health Records Incentive Program (MU Program) under the HITECH Act which requires the annual submission of data documenting the compliance of eligible professionals with certain MU measures.
- I. County and Contractor further understand and agree that mutual cooperation in the collection and reporting of MU Program measures may be required in cases in which both County and Contractor have employed or contracted the professional medical services of the same eligible professional during any calendar year in which the MU Program is in effect. In such cases, the requesting party shall deliver to the receiving party a letter on agency letterhead indicating the specific information requested, the format in which the information is to be delivered to the requesting party, and the required date of delivery of the information requested. The receiving party shall have 30 days from receipt of the request to deliver the requested information to the requesting party in the format specified by the requester.

56. **TECHNOLOGY REQUIREMENTS:**

- A. Contractor shall acquire, manage, and maintain Contractor's own information technology and systems and/or services in order to meet all functionality required for interoperability as specified by County.
- B. Contractor shall ensure that all individuals using electronic methods to sign electronic health records in the performance of work specified under this Agreement complete an Electronic Signature Agreement annually.
 - (1) Contractor shall maintain a copy of each Electronic Signature Agreement and make them available for inspection by County upon request.
 - (2) Contractor shall submit to County a Legal Entity Electronic Signature Certification to certify compliance with this provision of this Agreement. Contractors who implement electronic methods to sign electronic health records subsequent to the execution of this Agreement shall submit to County a Legal Entity Electronic Signature Certification immediately upon implementation.

- (3) County has a Legal Entity Electronic Signature Certification and a sample Electronic Signature Agreement available at: http://lacdmh.lacounty.gov/hipaa/edi_homepage.html

57. **CONTRACTOR PROTECTION OF ELECTRONIC COUNTY INFORMATION:**

The Board has recognized that the County of Los Angeles must ensure that appropriate safeguards are in place to protect public data and avoid the penalties and fines that may be imposed when unprotected confidential/sensitive information is disclosed inappropriately. The County of Los Angeles, Policy 5.200 “Contractor Protection of Electronic County Information” was adopted to protect personal information (PI), protected health information (PHI) and medical information (MI) electronically stored and/or transmitted by County of Los Angeles Contractors.

Encryption requirements shall apply to all County PI, PHI and MI electronically stored or transmitted by Contractors and subcontractors, irrespective of storage and/or transmission methodology.

- A. Contractor shall comply with the encryption standards set forth in Attachment X-5 Exhibit Protection of Electronic County PI, PHI and MI and submit Attachment X-6 Required Forms Exhibit Proposer’s Compliance with Encryption Requirements;
- B. Contractor shall comply with the Information Security Requirements set for in Attachment X-7 Exhibit Information Security Requirements;
- C. Contractor shall comply with Attachment X-8 Confidentiality Oath (Non-LAC-DMH Workforce Members); and
- D. Contractor shall comply with Attachment X-9 County of Los Angeles Agreement for Acceptable Use and Confidentiality of County Technology Resources.

58. **COMPLIANCE WITH JURY SERVICE PROGRAM:**

- A. Jury Service Program: This Agreement is subject to the provisions of the County’s ordinance entitled Contractor Employee Jury Service (“Jury Service Program”) as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.
- B. Written Employee Jury Service Policy:

- (1) Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
- (2) For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has an Agreement with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County Agreements or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means 40 hours or more worked per week or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract Agreement and a copy of the Jury Service Program shall be attached to the Agreement.
- (3) If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the

Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

- (4) Contractor's violation of this section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar Contractor from the award of future County Agreements for a period of time consistent with the seriousness of the breach.

59. **NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY**

LAW: The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby.

The information is set forth in Attachment VII, Safely Surrendered Baby Law of this Agreement. Additional information is available at www.babysafela.org.

60. **CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW:**

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster, in Attachment VII, in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at www.babysafela.org.

61. **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76)**: The Contractor hereby acknowledges that the County is prohibited from

contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractors or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

62. **CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE**: The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the certification in Attachment VIII, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202).

63. **LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM**: This Contract is subject to all provisions of the County's ordinance entitled Local Business Enterprise (SBE) Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

Specifically, Contractor shall pay particular attention to the following provisions in Chapter 2.204: Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

If Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the Contract amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State, the Department of Consumer and Business Affairs and Internal Services Department (ISD) of this information prior to responding to a solicitation or accepting a contract award.

64. **FORCE MAJEURE:**

- A. Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's

subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

- B. Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet its obligations under this agreement. As used in this sub-paragraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- C. In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

65. **CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM:** Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers. Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

66. **TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM:** Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 65 (**CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**) shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this

contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

67. **PUBLIC RECORDS ACT:**

A. Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 13 - Record and Audits of this Agreement; as well as those documents which were required to be submitted in response to any solicitation conducted by the County for any services and/or programs for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

(1) County shall notify Contractor upon receipt of a request for such marked documents.

B. In the event the County is required to defend an action on a Public Records Act request, following notification to Contractor, for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

68. **SECURITY AND BACKGROUND INVESTIGATION:**

A. All Contractor staff performing services under this Contract who are in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform

services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

- B. If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.
- C. County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.
- D. Disqualification of any member of Contractor's staff pursuant to this Paragraph 67 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

69. **AIR OR WATER POLLUTION REQUIREMENTS**: Unless specifically exempted under federal law, any federally funded Legal Entity Agreement and/or any subcontracts in excess of \$100,000 must comply with the following provisions:

- A. Contractor agrees to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Chapter 1).
- B. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as

amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

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

71. **NOTICES:** All notices or demands required or permitted to be given under this Agreement shall be in writing and shall be delivered with signed receipt or mailed by first class, registered or certified mail, postage pre-paid, addressed to the parties at the following addresses and to the attention of the persons named. Director shall have the authority to execute all notices or demands which are required or permitted by County under this Agreement. Addresses and persons to be notified may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

For the County, please use the following contact information:

County of Los Angeles - Department of Mental Health
Contracts Development and Administration Division
550 South Vermont Ave., 5th Floor
Los Angeles, CA 90020
Attention: Chief of Contracts

For the Contractor, please use the following contact information:

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
JONATHAN E. SHERIN, M.D., Ph.D.
Director of Mental Health

CONTRACTOR

By _____
Name _____
Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL