



Board of Supervisors Health and Mental Health Cluster Agenda Review Meeting

DATE: May 20, 2026

TIME: 11:30 a.m. – 1:30 p.m.

MEETING CHAIR: Jazmine Garcia-Delgadillo, 1ST Supervisorial District

CEO MEETING FACILITATOR: Kieu-Anh King / Gustavo Medrano

THIS MEETING IS HELD UNDER THE GUIDELINES OF BOARD POLICY 3.055

To participate in the meeting in-person, the meeting location is:
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Room 140

To participate in the meeting virtually, please call teleconference number:
1 (323) 776-6996 and enter the following: 330 628 704# or click here on a smartphone:
[Tel:+13237766996,,330628704#](tel:+13237766996,330628704#)

[Click here to join the meeting](#) on Microsoft Teams

For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to ClusterAccommodationRequest@bos.lacounty.gov

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. One (1) minute are allowed for each item.

THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.

- I. Call to order
- II. **Information Item(s) (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):**
 - a. **DHS:** Delegated Authority to Negotiate and Execute Payer Agreements with Government Programs, Health Plans, Insurance Companies and Health Providers

- b. **DPH:** Approval to Execute a Sole Source Amendment to a Non-Financial Service Contract with Child Development Consortium Los Angeles to Extend the Term through June 30, 2027 (08610)

III. **Presentation Item(s):**

- a. **DHS:** Approve Acceptance of an Award from the California Department of State Hospitals and Approve Related Actions to Further Implement the Felony Incompetent to Stand Trial Community-Based Restoration Program and the Pre-Trial Felony Mental Health Diversion Program
Speaker: Dr. Clemens Hong, Director of Community Programs

- b. **DHS:** Approval of Four Proposition A Agreements for Security Guard Services
Speaker: Julio Alvarado, Director of Contracts and Grants

IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting

V. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda.

VI. Public Comment

VII. Adjournment

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE HEALTH AND MENTAL HEALTH SERVICES CLUSTER AGENDA, PLEASE USE THE FOLLOWING EMAIL AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON: HEALTH_AND_MENTAL_HEALTH_SERVICES@CEO.LACOUNTY.GOV

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	5/27/2026							
BOARD MEETING DATE	6/16/2026							
SUPERVISORIAL DISTRICT AFFECTED	☒ All ☐ 1 st ☐ 2 nd ☐ 3 rd ☐ 4 th ☐ 5 th							
DEPARTMENT(S)	Health Services							
SUBJECT	DELEGATED AUTHORITY TO NEGOTIATE AND EXECUTE PAYER AGREEMENTS WITH GOVERNMENT PROGRAMS, HEALTH PLANS, INSURANCE COMPANIES AND HEALTHCARE PROVIDERS							
PROGRAM	Revenue Agreements							
AUTHORIZES DELEGATED AUTHORITY TO DEPT	☒ Yes ☐ No							
SOLE SOURCE CONTRACT	☒ Yes ☐ No If Yes, please explain why: To enable DHS to enter into and amend agreements in order to maintain its current revenue generating payer arrangements and generate new revenue streams for the County.							
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	☐ Yes ☒ No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.							
DEADLINES/ TIME CONSTRAINTS	Not applicable.							
COST & FUNDING	<table border="1"> <tr> <td>Total cost: Not applicable.</td> <td>Funding source: Not applicable.</td> </tr> <tr> <td colspan="2">TERMS (if applicable):</td> </tr> <tr> <td colspan="2">Explanation: This Board letter requests delegated authority only. The Department will use its existing resources to support any new agreements entered into under this Board letter, with the intention to increase revenues to DHS. There is no net County cost impact associated with the recommended actions.</td> </tr> </table>		Total cost: Not applicable.	Funding source: Not applicable.	TERMS (if applicable):		Explanation: This Board letter requests delegated authority only. The Department will use its existing resources to support any new agreements entered into under this Board letter, with the intention to increase revenues to DHS. There is no net County cost impact associated with the recommended actions.	
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TERMS (if applicable):								
Explanation: This Board letter requests delegated authority only. The Department will use its existing resources to support any new agreements entered into under this Board letter, with the intention to increase revenues to DHS. There is no net County cost impact associated with the recommended actions.								
PURPOSE OF REQUEST	To enable DHS to enter into and amend agreements in order to maintain its current revenue generating payer arrangements and generate new revenue streams							
BACKGROUND (include internal/external issues that may exist including any related motions)	Significant Medicaid cuts are already delivering massive pressure to DHS' budget. It is critical that DHS hospitals and health centers maximize revenues from government, commercial, and private payers. This Board action will enable DHS to enter into and amend agreements in order to maintain its current revenue generating payer arrangements and generate new revenue streams.							
EQUITY INDEX OR LENS WAS UTILIZED	☐ Yes ☒ No If Yes, please explain how:							
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	☒ Yes ☐ No If Yes, please state which one(s) and explain how: The Payer Agreements support the Board Priority 7 "Sustainability".by increasing revenues to DHS primarily by billing governmental, commercial, and private payers, or their subcontracted healthcare entities as appropriate.							
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Maham Chaudhry, Senior Staff Analyst, Health (323) 986-2218 MChaudhry@dhs.lacounty.gov							

June 16, 2026

DRAFT

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

Dear Supervisors:

**DELEGATED AUTHORITY TO NEGOTIATE AND EXECUTE
PAYER AGREEMENTS WITH GOVERNMENT PROGRAMS, HEALTH PLANS,
INSURANCE COMPANIES AND HEALTHCARE PROVIDERS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of delegated authority to the Director of the Department of Health Services (DHS), or authorized designee, to negotiate and execute agreements and amendments thereof with healthcare payers to compensate the County of Los Angeles (County) for medical services provided by DHS hospitals and health centers.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DHS (Director) or authorized designee to negotiate, execute and terminate new agreements for a duration of one (1) year or more, with government, commercial, and private payers, or their subcontracted healthcare entities (Healthcare Payers), (hereafter "Payer Contracts"), to compensate the County for the provision of inpatient, outpatient, and other healthcare services provided by DHS hospitals and health centers (County Healthcare Services). This delegation shall include, without limitation, the ability to specify methods and rates of payment that are appropriate for the services rendered thereunder, including capitated payments, as well as the authority to exclude or revise certain County standard contractual terms while remaining in compliance with applicable laws and regulations. Such authority shall remain in effect for a period of five (5) years through June 30, 2031. Payer Contracts shall be subject to (a) review and approval by County Counsel, (b) not less than ten (10) calendar days prior to the anticipated execution of any Payer Contract under this request, submission to the Chief Executive Office (CEO) and Board of Supervisors (Board) in its then-current draft form with feedback provided to DHS within five (5) calendar days thereafter, and (c) subsequent notification to the CEO and the Board.

2. Delegate authority to the Director or authorized designee to negotiate, prepare, and accept Medi-Cal related incentives, awards, and other payments whether deriving from Federal or State governments or health plans, subject to review and approval by County Counsel, with notice to the Board and the CEO.
3. Delegate authority to the Director or authorized designee to negotiate, execute and terminate letters of agreement for a duration of six (6) months or less with Healthcare Payers (hereafter "Payer LOAs"), to compensate the County for the provision of certain County Healthcare Services for which DHS has identified clinical service line capacity. LOAs shall be limited to one (1) six-month extension. This delegation includes the authority to set methods and rates of payment described under Recommendation 1, as well as the authority to exclude or revise certain County standard contractual terms while remaining in compliance with applicable laws and regulations. Such authority shall remain in effect for a period of five (5) years through June 30, 2031. Payer LOAs shall be subject to review and approval by County Counsel, with notice to the Board and the Chief Executive Office (CEO).
4. Delegate authority to the Director or authorized designee to negotiate, execute and terminate amendments to existing or future Payer Contracts and Payer LOAs, including to: (a) adjust rates or modes of payment, including service/capitation rates and incentive payments (b) add or remove lines of business or service lines into or out of such Payer Agreements, (c) improve or update clinical and/or administrative operations within the Payer Agreement's scope of services, (d) extend or terminate the term of the Payer Agreement in accordance with the Agreement terms, (e) adjust division of financial responsibility under relevant Payer Agreements, (f) update or incorporate new State/Federal law and regulations, County policies, accreditation requirements, and other authorities, and (g) take any additional actions required by contract, rules, and guidelines; subject to review and approval by County Counsel with notice to the Board and the CEO. Such authority shall remain in effect for a period of five (5) years through June 30, 2031.
5. Delegate authority to negotiate, execute, and terminate agreements with existing or new contracts or subcontracts with third party vendors to adequately support the delivery of services DHS is required to provide under existing or newly executed DHS agreements with Healthcare Payers that include capitation or other risk-bearing payment models, stemming from the recommendations above, subject to review and approval by County Counsel, with notice to the Board and the CEO.
6. Approve and instruct the Director or authorized designee to enter into and terminate, revised and expanded Fast Track Agreements (FTA), substantially similar to the

attached Contract for Health Care Services (Exhibit 1), which modifies the prior FTA and related policy authorized by your Board on August 8, 2002, as follows: (1) expands the FTA Policy to apply not only to DHS hospitals, but also to DHS health centers; (2) eliminates the previously established minimum negotiated rate guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Background

Significant Medicaid cuts are already delivering massive pressure to DHS' budget - with a projected deficit of over \$250 million this Fiscal Year alone, growing to over \$700 million annually. In addition to implementing meaningful operational changes to reduce DHS' costs and preserve the safety net, it is critical that DHS hospitals and health centers maximize revenues from government, commercial, and private payers. This Board action will enable DHS to enter into and amend agreements in order to maintain its current revenue generating payer arrangements and generate new revenue streams.

Purpose/Justification

Approval of the first recommendation will allow DHS to negotiate and execute contracts with government agencies, health plans, insurance companies, healthcare providers, and other payers, in order to maximize revenue for services provided by DHS hospitals and health centers, while at the same time assuring that such contracts do not obligate the County to provide particular services or facilities that it is no longer in the County's best interest to provide. These contracts will enable DHS to secure payment for DHS services using a variety of payment models, including capitation, fee-for-services, case rates, per diem rates, and shared-risk arrangements. DHS' financial assessment regarding any new agreements will include the cost of new or expanded operations, such as data collection, system interoperability, or reporting. Where DHS accepts financial risk under models such as capitation and shared-risk arrangements, DHS will endeavor via financial modeling to ensure that the financial benefit of such arrangement inures to the County.

Approval of the second recommendation will allow DHS to accept incentives from Medi-Cal, Medicare Advantage, and other Healthcare Payers that utilize managed care models. Such incentives are intended to reward providers, for example, for delivery of care that meets certain quality metrics.

Approval of the third recommendation will allow DHS to negotiate and execute short-term LOAs with Healthcare Payers. Payer LOAs will be interim agreements of six months or less, which will offer greater flexibility through waiver of certain standard contract terms and abbreviated contract negotiation schedules. As a limitation on this alternative agreement track, DHS will be authorized to allow LOAs only for services lines with demonstrated excess capacity, and to enter into only one, six-month extension for such LOAs. These LOAs will enable recovery of lost revenue opportunity due to underutilized capacity in

certain service lines, and may also be used to inform DHS if it should pursue a longer-term contractual arrangement with the contracting entity.

Approval of the fourth recommendation will allow DHS to negotiate and execute future amendments to adjust the level and compensation of patient care provided at DHS facilities under existing contracts; extend or terminate the term of the Payer Contracts and Payer LOAs if it is in the best interest of the County, and ensure compliance with any new or amended directives from State/federal law or regulation, County policies, accreditation requirements, and other authorities, as applicable.

Approval of the fifth recommendation will allow the Department, as necessary, to enter into any subcontracts that may be necessary to fulfill its obligations under Payor Contracts.

Approval of recommendations 1, 2, 4, and 5 will allow the Department to continue its participation in State Department of Health Care Services (DHCS) Medi-Cal CalAIM (CalAIM) initiatives via managed care contracting. CalAIM is a multi-year State Medi-Cal initiative, the goal of which is to reduce health disparities and promote health equity. On December 7, 2021, and November 7, 2023, your Board delegated authority for DHS and the other health Departments to negotiate and execute new agreements with health plans, provider groups, and pharmacy benefit networks for the purpose of participation in the CalAIM initiatives. This Board authority will expire on December 31, 2027, one (1) year after the respective CalAIM 1915b waiver expiration date of December 31, 2026. DHCS has indicated that it will seek to extend that waiver, and Recommendation No. 1 will enable the Department to continue its participation in the CalAIM initiatives as previously approved by your Board.

Approval of the sixth recommendation will allow DHS to expand and update certain of its Fast Track program and its related policy to align with its current needs. On August 8, 2002, your Board expanded DHS' authority to implement an FTA Policy, under which DHS can negotiate FTAs and commensurate reimbursement rates for patient-specific inpatient and/or outpatient hospital services with government, commercial, and private payers, as well as with self-pay patients. This letter included the authority for DHS to utilize a County Counsel generated contract template or some substantially similar instrument. In recommendation 5, DHS is requesting authority to expand the FTA program to include DHS Health Centers, to provide DHS with greater flexibility in the negotiation of payment rates, and to revise the FTA template to align with current operations. All other remaining aspects of the August 8, 2002, Board Letter shall remain intact.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action is consistent with Board Priorities North Star 1: Make investments that transform lives - Focus Area Goal A. Healthy Individuals and Families and North Star 3: Realize tomorrow's government today

FISCAL IMPACT/FINANCING

DHS will use its existing resources to support any new agreements entered into under this Board letter, with the intention to increase revenues to DHS primarily by billing

governmental, commercial, and private payers, or their subcontracted healthcare entities as appropriate. There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel will review and approve all agreements negotiated under this delegated authority prior to execution.

As with other delegated authority, DHS may utilize the standard provider agreement provided by health plans, medical groups, or other payers in order to expedite execution of the agreements. Such contractual documents will comply with State law and the required provisions set forth by the California Department of Managed Health Care. These standard agreements contain mutual indemnification clauses and require use of binding arbitration to resolve disputes.

CONTRACTING PROCESS

DHS-administered agreements with health care payers and providers are executed pursuant to delegated authority from the Board. All Healthcare Payors may seek such agreements, which will be evaluated by DHS to determine their value to the County.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will allow DHS to continue to provide Medi-Cal beneficiaries and uninsured and underinsured County responsible patients with access to critical health services. It is anticipated that approval of the recommended actions will increase the number of Medicare, commercial, and private payer patient admissions and visits to County hospitals, and best utilize current DHS resources and existing capacity for revenue maximization.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG: ck

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

BOARD OF SUPERVISORS

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First District

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THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

August 1, 2002

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

Dear Supervisors:

FAST TRACK ADMISSION AND VISIT POLICY (All Districts) (3 Votes)

IT IS RECOMMEND THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to implement the revised Fast Track Admission and Visit Policy, utilizing a standard contract substantially similar to the attached revised Contracts for Health Care Services (Exhibits I and II), which will allow the Director, or his designee, to negotiate patient-specific payment rates for inpatient services, and/or outpatient services and enter into single-instance, per admission, or per visit agreements with Private Payers (i.e., government agencies, private Health Maintenance Organizations, Preferred Provider Organizations, indemnity insurance plans, and self-pay patients) to treat specific patients at County hospitals.
2. Delegate authority to the Director of Health Services, or his designee, to negotiate patient-specific payments rates for inpatient services and/or outpatient services, and sign prior to discharge, or prior to the initiation of the course of outpatient treatment, single-instance, per-admission or per course of outpatient care, patient-specific agreements with Private Payers to treat their patients at County hospitals.
3. Instruct the Director of Health Services to ensure that the negotiated inpatient payment rates are not less than the higher of the County's inpatient Medi-Cal per diem contract rate then in effect or the applicable County hospital's estimated average variable costs for the applicable admission. Outpatient payment rates shall not be less than the applicable County hospital's estimated average variable costs

for the applicable outpatient services.

4. Instruct the Director of Health Services to submit a report to the Board of Supervisors approximately 90 days after each calendar year end reflecting the results of the Fast Track Admission and Visit Policy. The report will include the number of patients treated at the participating County facilities and the cost of the program, compared to the amount of revenue generated by the program.

PURPOSE OF THE RECOMMENDED ACTIONS:

The recommended amendments to the existing Fast Track Admission Policy will expand the existing policy to cover outpatient services and certain additional inpatient stays utilizing an updated and clarified model contract when time constraints do not permit and cost-effectiveness does not warrant execution of a specific, comprehensive Board-approved contract. The executed contracts will include payment rates negotiated by the Director, or his designee, which are no less than the applicable hospital's estimated average variable costs, or, for inpatient services, the then applicable Medi-Cal contract per diem rate.

JUSTIFICATION:

The revised Fast Track Admission and Visit Policy will enable County hospitals to treat additional Private Payer patients and generate incremental net revenues, since the negotiated patient rates will be no less than the estimated average variable costs incurred. In addition to the potential financial benefits, the policy will generate goodwill in local communities by allowing County hospitals to better serve all area residents regardless of their insurance status or health plan benefits.

FISCAL IMPACT:

Based on the Department's experience with the current Fast Track Admission Policy, the revised Fast Track Admission and Visit Policy is anticipated to be budget neutral to the County with expected reimbursement above the hospitals' estimated marginal cost for care rendered under each agreement.

FINANCING:

All of the County hospitals expect to operate within their Fiscal Year 2002-2003 Board adopted budgets. However, appropriation adjustments, with no net County cost, will be processed as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The existing Fast Track Admission Policy allows the Department to negotiate patient-

specific rates for the provision of inpatient medical services. This Board action will allow the Department to enter into similar contractual relationships for the provision of outpatient services based upon a per visit and/or a percent of charges basis, and will enable the Director or his designee to negotiate and enter into contracts after the time of admission for inpatient services based upon a per diem, and/or percent of charges and/or case rate basis. The Department expects to implement the revised Fast Track Admission and Visit Policy within 30 days after Board approval. The Department's Director of Finance has determined the estimated average variable costs for each hospital for both inpatient and outpatient services.

County Counsel has approved the model agreements (Exhibit I and II) as to form. Although the agreements do not contain the County's customary indemnity and liability provisions, County Counsel, the Chief Administrative Office and Risk Management Operations have reviewed the documents and agree that they contain sufficient language for intermittent use.

CONTRACTING PROCESS:

Advertisement on the Office of Small Business Countywide Web Site is not applicable. The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is anticipated that approval of the recommended actions will increase the number of Private Payer patient admissions and visits to County Hospitals.

When approved, this Department requires three original signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TG:jf (fleming\fast track\boardltr-8/01/02

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

County of Los Angeles - Department of Health Services
THIRD PARTY COVERAGE
AUTHORIZATION FOR PROVISION OF CARE AT COUNTY HOSPITAL
CONTRACT FOR HEALTH CARE SERVICES

(Note: All applicable blank spaces must be filled in. This form is to be signed by all parties prior to discharge from hospital for inpatient services, and prior to initiation of the course of care for outpatient services).

Patient:	Address:
Social Security Number:	
Payer:	Address:
Hospital:	Address:

This Contract for the provision and payment of health care services by the above named Hospital ("Hospital") is entered into by and between the County of Los Angeles ("County") and the above named Payer ("Payer") for the delivery of health care services provided by Hospital to the above named Patient ("Patient").

Payer hereby authorizes Hospital to provide [] inpatient and /or [] outpatient care to Patient for services on or about the following dates _____. Hospital agrees that it will provide, and Payer agrees that it will pay for such health care services rendered by Hospital at the negotiated payment rates listed in the attached Schedule A.

Both parties agree that County shall bill Payer at its usual and customary rates for all care including emergency medical services rendered to Patient using Form UB-92 within one year of the date of service, unless otherwise specified on Exhibit A. Payer shall pay the County at the negotiated rate(s) listed on schedule A within 45 days of receipt of the bill(s). All payments to County by Payer shall be made payable to Hospital, shall include appropriate remittance advices, and shall be sent to the address identified above.

Remuneration for services at the payment rate(s) indicated in Schedule A will be considered as payment in full. County agrees not to attempt to collect any other monies from Payer, Patient, or any other individual responsible for Patient's care, other than appropriate co-insurance or deductibles.

In the event that the Patient is determined not to be an eligible member of, or covered by, Payer, or ceases to be an eligible member of, or covered by, Payer while still a patient at Hospital, Payer agrees that it nonetheless remains obligated to pay for health care services authorized by this Contract. Both parties agree that their obligations for Patient under this contract arise at the time of admission and/or visit of Patient at Hospital and continue until such time as the treatment authorized in this document is complete.

Both parties acknowledge that County is responsible for providing care in accordance with the priorities established in the Los Angeles County Code Section 2.76.130. Accordingly, both parties agree that, should the demand for Hospital's services become such that Hospital is unable to provide continued services to Patient, County shall notify Payer and Patient in writing and Payer agrees to allow Patient's

transfer to another facility as soon as reasonably possible after receipt of the notice. County will cooperate with Payer and Patient in making arrangements for the transfer of Patient to another facility. County shall not be responsible for paying for the transfer of Patient or for services or other care rendered at such other facility.

Payer agrees that County is not responsible for care rendered to Patient prior to admission and/or visit, except for emergency care provided in Hospital's emergency department immediately prior to Patient's admission.

Each party shall indemnify and hold harmless the other and its officers, employees and agents from and against any and all liability and expense, including defense costs and legal fees, for or in connection with injury or damage related to its operations or services under this Contract. The County shall be indemnified and held harmless for any Utilization Review and other decisions made by Payer that may result in a detrimental outcome to the Patient's clinical status.

Both parties agree that this Contract is made and entered into in the State of California and its provisions shall be interpreted in accordance with the laws of the State of California. Venue for any action involving this Contract shall rest exclusively in Los Angeles County.

Both parties agree to meet in good faith to resolve any disputes arising under the Contract. In the event that a dispute is not resolved, both parties agree to arbitrate such dispute. The arbitration shall be conducted pursuant to the Commercial Rules of the American Arbitration Association (AAA). Both parties agree that the arbitration results shall be binding on both parties. The cost of arbitration shall be divided equally between both parties. However, Payer shall be liable for any attorney's fees incurred by County in connection with collecting money due under this Contract.

Both parties agree that the terms of this Contract, particularly the provisions regarding compensation, are considered confidential and proprietary and shall not be disclosed except as may be required in the performance of this Contract or as otherwise required by law.

Administrator of Hospital or his or her duly authorized designee shall administer County's rights and obligations under this Contract. The undersigned individuals represent that they are fully authorized to execute this Contract on behalf of their respective parties.

In Witness whereof the undersigned, for themselves or by their duly authorized representatives have read the foregoing Contract, fully understand and agree to its terms and have caused this Contract for Health Care Services to be signed this ____ day of _____, 200__.

By Hospital Administrator or Designee; Authorized Payer Representative:

Name _____

Name _____

Title: _____

Title: _____

Schedule A

Description of Services and Payment Methodology

Services authorized by this agreement will be billed at the following rates:

A single global rate of:

\$_____ per day regardless of the medical service to which the patient is admitted (including all medically necessary inpatient, physician, routine and ancillary services, except those items and/or services expressly excluded below); or

\$_____ per day regardless of the medical service to which the patient is admitted (excluding physician services, but including all medically necessary inpatient routine and ancillary services except those items and services expressly excluded below).

\$_____ per case for _____ (which includes only the following items and services):

OR, a rate based on the medical service in which the patient is treated (including all medically necessary routine and ancillary services, except those items and/or services expressly excluded below) at:

\$_____ per day for ICU

\$_____ per day for Medical/Surgical/Pediatric Acute (except ; _____)

\$_____ per day for Step-down Unit

\$_____ per day for Sub-Acute

\$_____ per day for Rehabilitation Acute

\$_____ per day for Rehabilitation Sub-Acute

\$_____ per day for Skilled Nursing Facility (SNF)

\$_____ for day of Surgery

\$_____ for day of other (specify) _____

Unless otherwise specified such per day rates include care provided in the emergency department immediately prior to admission. For purposes of this Contract, per day rates cover all medically necessary services provided between 12:00 a.m. and 11:59 p.m., except for the following items and/or services: _____. Physician services are [] included or [] excluded and paid at a rate of _____ per day.

\$_____ per visit for the following outpatient services: _____
(Description of Service)

For purposes of this agreement, a visit shall mean "an encounter with hospital personnel for the purpose of receiving diagnosis or treatment," and includes only routine services except for the following items and/or services:

AND/OR, at a rate based upon a percent of gross charges at:

_____ % for inpatient services

_____ % for day of inpatient surgery

_____ % for outpatient services

County of Los Angeles - Department of Health Services
SELF-PAY
AUTHORIZATION FOR PROVISION OF CARE AT COUNTY HOSPITAL
CONTRACT FOR HEALTH CARE SERVICES

(Note: All applicable blank spaces must be filled in. This form is to be signed by all parties prior to discharge from hospital for inpatient services, and prior to initiation of the course of care for outpatient services).

Patient:	Address:
Social Security Number:	
Hospital:	Address:

This Contract for the provision and payment of health care services by the above named Hospital ("Hospital") is entered into by and between the County of Los Angeles ("County") and the above named Patient for the delivery of health care services provided by Hospital.

Patient hereby authorizes Hospital to provide [] inpatient and /or [] outpatient care to Patient for services on or about the following dates _____. Hospital agrees that it will provide, and Patient agrees that he or she will pay for such health care services rendered by Hospital at the negotiated payment rates listed in the attached Schedule A.

Both parties agree that County shall bill Patient at its usual and customary rates for all care including emergency medical services rendered to Patient using Form UB-92 within one year of the date of service, unless otherwise specified on Exhibit A. Patient shall pay the County at the negotiated rate(s) listed on schedule A within 45 days of receipt of the bill(s). All payments to County shall be made payable to Hospital, and shall be sent to the address identified above.

Remuneration for services at the payment rate(s) indicated in Schedule A will be considered as payment in full. County agrees not to attempt to collect any other monies from Patient, or any other individual responsible for Patient's care.

Both parties acknowledge that County is responsible for providing care in accordance with the priorities established in the Los Angeles County Code Section 2.76.130. Accordingly, both parties agree that, should the demand for Hospital's services become such that Hospital is unable to provide continued services to Patient, County shall notify Patient in writing and Patient agrees to accept transfer to another facility as soon as reasonably possible after receipt of the notice. County will cooperate with Patient in making arrangements for the transfer of Patient to another facility. County shall not be responsible for paying for the transfer of Patient or for services or other care rendered at such other facility.

Patient agrees that County is not responsible for care rendered to Patient prior to admission and/or visit, except for emergency care provided in Hospital's emergency department immediately prior to Patient's admission.

Each party shall indemnify and hold harmless the other and its officers, employees and agents from and against any and all liability and expense, including defense costs and legal fees, for or in connection with injury or damage related to its operations or services under this Contract.

Both parties agree that this Contract is made and entered into in the State of California and its provisions shall be interpreted in accordance with the laws of the State of California. Venue for any action involving this Contract shall rest exclusively in Los Angeles County.

Both parties agree to meet in good faith to resolve any disputes arising under the Contract. In the event that a dispute is not resolved, both parties agree to arbitrate such dispute. The arbitration shall be conducted pursuant to the Commercial Rules of the American Arbitration Association (AAA). Both parties agree that the arbitration results shall be binding on both parties. The cost of arbitration shall be divided equally between both parties. However, Patient shall be liable for any attorney's fees incurred by County in connection with collecting money due under this Contract.

Both parties agree that the terms of this Contract, particularly the provisions regarding compensation, are considered confidential and proprietary and shall not be disclosed except as may be required in the performance of this Contract or as otherwise required by law.

Administrator of Hospital or his or her duly authorized designee shall administer County's rights and obligations under this Contract. The undersigned individuals represent that they are fully authorized to execute this Contract on behalf of their respective parties.

In Witness whereof the undersigned, for themselves or by their duly authorized representatives have read the foregoing Contract, fully understand and agree to its terms and have caused this Contract for Health Care Services to be signed this ____ day of _____, 200__.

By Hospital Administrator or Designee; Patient:

Name _____

Name _____

Title: _____

Schedule A

Description of Services and Payment Methodology

Services authorized by this agreement will be billed at the following rates:

A single global rate of:

\$_____ per day regardless of the medical service to which the patient is admitted (including all medically necessary inpatient, physician, routine and ancillary services, except those items and/or services expressly excluded below); or

\$_____ per day regardless of the medical service to which the patient is admitted (excluding physician services, but including all medically necessary inpatient routine and ancillary services except those items and services expressly excluded below).

\$_____ per case for _____ (which includes only the following items and services):

OR, a rate based on the medical service in which the patient is treated (including all medically necessary routine and ancillary services, except those items and/or services expressly excluded below) at:

\$_____ per day for ICU

\$_____ per day for Medical/Surgical/Pediatric Acute (except ; _____)

\$_____ per day for Step-down Unit

\$_____ per day for Sub-Acute

\$_____ per day for Rehabilitation Acute

\$_____ per day for Rehabilitation Sub-Acute

\$_____ per day for Skilled Nursing Facility (SNF)

\$_____ for day of Surgery

\$_____ for day of other (specify) _____

Unless otherwise specified such per day rates include care provided in the emergency department immediately prior to admission. For purposes of this Contract, per day rates cover all medically necessary services provided between 12:00 a.m. and 11:59 p.m., except for the following items and/or services: _____. Physician services are [] included or [] excluded and paid at a rate of _____ per day.

\$_____ per visit for the following outpatient services: _____
(Description of Service)

For purposes of this agreement, a visit shall mean "an encounter with hospital personnel for the purpose of receiving diagnosis or treatment," and includes only routine services except for the following items and/or services:

AND/OR, at a rate based upon a percent of gross charges at:

_____ % for inpatient services

_____ % for day of inpatient surgery

_____ % for outpatient services



**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District

Holly J. Mitchell
Second District (Chair)

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

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Chief Operating Officer
Alliance for Health Integration

Christina R. Ghaly, M.D.
Director, Department of Health Services

Jonathan E. Sherin, M.D., Ph.D.
Director, Department of Mental Health

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director, Department of Public Health

313 N. Figueroa Street, Suite 1014
Los Angeles, CA 90012

"To improve the health and well-being of Los Angeles County residents by aligning and efficiently implementing Board-approved prevention, treatment, and healing initiatives that require the collaborative contributions of the three health departments."



December 7, 2021

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

Dear Supervisors:

**APPROVAL FOR NEW MEDI-CAL WAIVER CONTRACTING AND
IMPLEMENTATION AUTHORITY
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

The Los Angeles County Departments of Health Services, Public Health, and Mental Health are seeking authority to negotiate, prepare, execute, and operationalize agreements associated with the State of California's pending Medicaid waiver proposal. The initiative, called California Advancing and Innovating Medi-Cal, aspires to improve the health and quality of life of the Medi-Cal managed care population through broad delivery system, program, and payment reforms.

IT IS RECOMMENDED THAT THE BOARD:

Delegate authority to each of the Directors of the Los Angeles County Departments of Health Services (DHS), Public Health (DPH), and Mental Health (DMH), or their respective designee(s) to:

1. Negotiate, prepare, execute, and operationalize new agreements with health plans, provider groups, and pharmacy benefit networks necessary to establish or maintain California Advancing and Innovating Medi-Cal (CalAIM) initiatives. Such authority shall remain in effect until December 31, 2023, and the length of any agreement made pursuant to it may be up to five (5) years from the date of execution. The authority includes, without limitation, the authority to take any additional actions that are required by contract, law, regulation, rule, or guideline to enable DHS, DPH, and DMH (each a "Department" and together the "Departments") to effectuate the agreements. DHS, DPH, and DMH will each consider its overall financial

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23 December 7, 2021

CELIA ZAVALA
EXECUTIVE OFFICER

impact to each respective department in negotiating these agreements.

Such agreements shall be subject to (a) prior review and approval by County Counsel, (b) not less than fifteen (15) days prior to the anticipated execution of any agreement under this request, submission to the Chief Executive Office (CEO) and Board of Supervisors (Board) in its then-current draft form with feedback provided to the relevant department within five (5) calendar days thereafter, and (c) subsequent notification to the CEO and the Board.

2. Negotiate, prepare, execute, amend, and operationalize existing agreements with health plans, provider groups and pharmacy benefit networks necessary to establish or maintain CalAIM. The authority includes, without limitation, the power to: (1) establish new rates of payment (which flow from the above entities to DHS, DPH, and DMH) whether capitated, Fee-For-Service (FFS) or otherwise; (2) adjust rates; (3) secure incentives and incentive payments from the foregoing parties or the State; (4) update or incorporate new State/federal law and regulations, County provisions and other regulatory/ contractual requirements; (5) make appropriate changes to contract language for clarity and efficiency (administrative, programmatic and operational); (6) extend such agreements; (7) add, remove, or migrate new lines of business or new service lines into or out of such agreements; (8) reallocate the division of financial responsibilities or allocation of financial risk among parties; (9) terminate agreements; and (10) take any additional actions that are required by contract, law, regulation, rule, or guideline to enable DHS, DPH, and DMH to effectuate the relevant amendments. Each Department will consider its overall financial impact to its respective department in negotiating these agreements. Such agreements shall be subject to (a) prior review and approval by County Counsel, (b) not less than fifteen (15) days prior to the anticipated execution of any agreement under this request, submission to the CEO and Board in its then-current draft form with feedback provided to the relevant department within five (5) calendar days thereafter, and (c) subsequent notice to the CEO and the Board. This amending authority shall remain in effect until the end of CalAIM plus the authority to make no more than two additional extensions of then-existing authorities for up to six (6) months at a time.
3. Negotiate, prepare, and accept CalAIM-related incentives, awards, and other payments whether deriving from federal or State governments or health plans. The delegation includes, without limitation, the authority to take any and all actions that are required by contract, law, regulation, rule, or guideline to enable DHS, DPH, and DMH to receive such payments (e.g., without limitation execute a subsidiary contract, certification, attestation, pay an administrative fee, or make intergovernmental transfers, as required to obtain such funds). Such payments shall be subject to prior review and approval by County Counsel with subsequent notification to the CEO and the Board. This authority shall remain in effect until the end of CalAIM. Not less than fifteen (15) days prior to the anticipated

execution of any agreement or amendment under this request, each department shall submit to CEO and the Board its own potential new CalAIM-related incentive, award and other payment-related draft agreements or amendments in their then-current draft form, with any feedback provided to the relevant department within five (5) calendar days.

4. For a period of six (6) months, negotiate, prepare, execute, amend, and operationalize contracts or subcontracts with third parties, including without limitation service providers, for the purpose of providing CalAIM-related services like Enhanced Care Management (ECM) and In Lieu of Services (ILOS) to populations (for a list of the latter, see Attachment A) subject to applicable federal, State and County laws, regulations, ordinances, rules and policies. The term of such contracts or subcontracts may last no more than one (1) year, with a possible additional six (6) month renewal period. The delegation includes, without limitation, the authority to negotiate, prepare, execute and implement Master Agreements and work orders, and take any actions that are required by contract, law, regulation, rule, ordinance, or guideline to enable DHS, DPH, or DMH to effectuate the agreements. It will also allow amendments to allow revisions of statements of work, extensions, or new County and Board contracting requirements – provided that any such actions do not exceed total projected revenue for CalAIM over the course of the waiver. Such contracts shall be subject to review and prior approval by County Counsel with at least ten (10) days prior notification to the CEO and the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

CalAIM is a multi-year State Medi-Cal initiative, the goal of which is to reduce health disparities and promote health equity. It is a renewal and redesign of the preexisting five (5) year Medi-Cal 2020 § 1115 waiver, with the addition of a managed care related waiver under Title XIX, § 1915(b) of the Social Security Act. Due to COVID-19, Medi-Cal 2020 was extended for an extra year by the United States Center for Medicare and Medicaid Services (CMS). Medi-Cal 2020 included programs like Whole Person Care, that are sunsetting December 2021. Many services from those programs are proposed to continue in CalAIM, but in different ways (see Facts and Provisions section below).

Central to achieving the vision for CalAIM is greater alignment and integration of the Medi-Cal delivery system, which will be enabled by the consolidation of federal managed care authorities into a single waiver vehicle for:

- Medi-Cal Managed Care (MCMC);
- Dental Managed Care (Dental MC);
- The Specialty Mental Health Services (SMHS) Program; and

- The Drug Medi-Cal Organized Delivery System (DMC-ODS; includes components within a 1115 waiver [Institution for Mental Disease exclusion] and 1915b waiver [the remainder of DMC-ODS provisions]).

CalAIM also includes a significant focus on behavioral health system transformation and innovation through system modernization, payment reform, value-based initiatives, and reduced health disparities. CalAIM-related investments in both the specialty mental health and substance use systems support the broader aim to improve quality of life and health outcomes through enhanced and more integrated/coordinated care across health and social service systems.

Except as otherwise expressly stated, the Departments' recommendations relate effectuating the initiative as a whole – not only ILOS and ECM.

The delegated authority we have requested herein is broad because the State of California Department of Health Care Services (DHCS) submission to CMS has not yet been approved, and DHCS continues to revise and clarify guidance on how CalAIM will be structured and implemented. The purpose of each recommendation is as follows:

The Departments make Recommendation Nos. 1 and 2 to allow each Department to emplace or amend the contracts fundamental to CalAIM – such as, and without limitation, fee-for-service and capitation agreements with managed care plans and ECM/ILOS agreements. Those agreements primarily serve as revenue generating for the County. For example, in DHS' case, DHS intends to be a network provider under CalAIM. Therefore, it will receive payments to provide related services to beneficiaries who are enrolled in Medi-Cal Managed Care health plans – like Health Net, Local Initiative Health Authority of Los Angeles County (L.A. Care) and their subcontractors. Historically those agreements have had components that are not part of CalAIM (for example, DHS contracts include commercial or Medicare lines of business). The requested delegations would include the powers to continue to engage in those arrangements and amend them from time-to-time. For convenience, we have included, as Attachment B a copy of: (a) DHCS' standard terms and conditions provider template for ECM and ILOS; (b) DHCS' two-plan Medi-Cal Managed Care health plan scope of work exhibit boilerplate. While the latter document relates to contract terms often found between the State and the health plans, it reflects many of the key responsibilities that are likely to be passed on to providers when they negotiate agreements with those plans. Neither of these documents represents a final version of the contracts under this Board Letter rather each serves to inform the Board about the kinds of terms – without limitation – that are being negotiated.

Recommendation No. 1, involving new agreements, is for two (2) years due to an anticipated transition period. On the heels of the two major plan agreements, we anticipate it will take time for provider groups and plan subcontractors to move into CalAIM. Without an authority that extends, for a limited time, into the future, the Departments may lose potential revenue.

While the Medi-Cal Managed Care health plans are integral to paying the Departments for providing services, the State also intends to emplace incentive programs, delivery reform programs, and other payments. Some will be provided through them, or negotiated with them, others may come directly from the State. Because it is not clear exactly how the various supplemental and directed payments associated with CalAIM will flow, request for delegated authority in Recommendation No. 3 allows each Department flexibility to negotiate for and accept such payments.

Board approval of Recommendation No. 4 will allow the Departments flexibility to expand their respective footprints, or specialize, in different service offerings by contracting with third parties for the provision of services like ECM and ILOS. The request is made for a short duration because, unlike Recommendations Nos. 1-3, it primarily involves money flowing out to vendors, service providers or other third parties. The Departments will have the authority, in their discretion, to make agreements to provide CalAIM's new Enhanced Care Management and In Lieu of Services (also called Community Support Services) through such agreements. In many instances, like Housing Navigation and Tenancy Support, Housing for Health (H4H) may continue to use or modify existing agreements in furtherance of this recommendation. Nothing in this Board Letter is intended to supersede or limit any of each Department's preexisting Board delegated authorities. If H4H has been permitted to enter longer-term contracts, for example, nothing in the time limitation related to ILOS is intended to interfere with or truncate them.

Similarly, DMH and DPH have independent authorities to extend their own networks because they actively maintain health plans. Nothing in this new requested delegation is intended to curtail their already granted powers.

CalAIM is intended to last for five (5) years. Therefore, setting aside Request No. 4, which is a short-term authority, we are requesting the contracting authority granted for a longer period of time. The Departments have recommended approximately two (2) years for new agreement authority and amending authority throughout CalAIM. Finally, to permit a more thoughtful and deliberative negotiation for subsequent waivers, we also request authority for no more than two additional extensions of then-existing authorities for up to six (6) months at a time to permit negotiation and execution of new agreements or amendments at the end of CalAIM.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions are consistent with the principles of the Countywide Strategic Plan, Strategy I.2.2 – Enhance Our Delivery of Comprehensive Interventions: Streamline Access to Integrated Health Services.

FISCAL IMPACT/FINANCING

CalAIM will be financed through a mix of federal, State, and local funds. The State has not yet determined the total value of CalAIM, the amount(s) the County will receive or the mechanisms of payment. For ECM, ILOS and incentive components, we expect that the State will provide the greater portion of non-federal share. Under a program called Providing Access and Transforming Health (PATH), we expect a portion to be locally financed. DHS, DPH, and DMH will receive payments for the provision of services or achievement of certain incentives through agreements with the health plans and/or the State.

The authority requested herein to negotiate or amend the Division of Financial Responsibilities (DOFR) under agreements does potentially subject the County to greater financial liability for certain services. Each Department will consider the impact of such changes, including whether the State adopts mechanisms like risk corridors, to limit exposure.

Each Department will use its existing resources to support any new agreements entered into under this Board Letter and will not require additional NCC.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In June, DHCS submitted its CalAIM proposal to CMS. Medi-Cal 2020, the current waiver, is set to expire on December 31, 2021. While CMS has not yet approved CalAIM, it is set to begin on January 1, 2022. The Departments believe that CMS will timely approve CalAIM.

CalAIM is a Statewide effort to streamline and standardize services for Medi-Cal beneficiaries through managed care plans. Many services that are included have previously been supported through Medi-Cal 2020 programs like Whole Person Care.

DHCS' submission is ambitious and includes § 1115 demonstration and 1915(b) managed care waivers. If approved, those waivers, along with related contractual and Medi-Cal State Plan changes, will enable California to fully execute the CalAIM initiative, providing benefits to certain high-need, hard-to-reach populations, with the goal of improving health outcomes for Medi-Cal beneficiaries and other low-income people in the State.

The CalAIM § 1115 demonstration amendment and renewal would continue successful elements of the current Medi-Cal 2020 demonstration, including the Global Payment Program (GPP) and the Drug Medi-Cal Organized Delivery System (DMC-ODS), while adding several new authorities to advance the State's goals. For example, the renewal request advances several key priorities by more fully addressing the complex challenges facing California's most vulnerable residents. These include justice-involved populations who have significant clinical and social needs, providing limited pre-release

services to help them successfully transition back into the community. The renewal also proposes initiatives, such as PATH, that would strengthen the ability of health plans and community-based providers to ensure a seamless transition from the current pilots to a more ambitious statewide delivery system, and to support effective pre-release care for justice-involved populations.

Two (2) core § 1915(b) programs will replace Whole Person Care and Health Homes Programs: ECM and ILOS. ECM will be a care coordination benefit for the highest need cases that launches for most eligible populations on January 1, 2022, with additional populations related to nursing home use that will be eligible January 2023. The State has created narrowly defined eligible populations and will pay a modest increase to the health plans to cover ECM services, with plans being responsible for managing the amount of services available given a finite amount of funds. However, ECM is an entitlement; plans must cover services for all those who are eligible. To ensure that participants in Whole Person Care and Health Homes Programs continue to receive services upon the December 31, 2020 sunset date, the State has directed that these participants are temporarily “grandfathered” into ECM effective January 2022. If the applicable department does not have executed contracts with the Health Plans for both ECM and ILOS, it may disrupt access to critical services. To prevent institutionalization and/or incarceration and sustain participants in their community, the County should support seamless and uninterrupted participants’ receipt of these services.

ILOS are a menu of fourteen (14) different services that provide social supports such as housing navigation, tenancy sustaining services, housing deposits, recuperative care, sobering centers, and components of enhanced residential care for persons with a disability who have support needs around their activities of daily living, to name a few. Most of these services are already offered through H4H or ODR Housing, and in the DMH System of Care the three (3) housing related ILOS are currently provided in our WPC Programs and Outpatient Programs. Unlike ECM, ILOS services are voluntary for the managed care plans, and health plans will not receive any substantial ongoing payment to help cover the costs of these services because, in concept, these services are supposed to be “in lieu of” higher cost services that the plan is already paid to cover – namely emergency room visits and inpatient hospital stays.

The State plans to offer health plans incentive payments for starting January 2022, to help roll out ECM and ILOS programs. As currently proposed, the above payments are supported with State general fund and federal matching funds.

Because this managed care framework for providing care coordination and social supports is untested, it will likely take at least one to two (2) years before we understand how the various State, plan, and provider stakeholders will respond to this new opportunity, and therefore, how sustainable these funding sources may be. Additional funding through the Medicaid 1115 waiver will likely be needed to sustain existing programs in the short term as this uncertainty plays out.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will allow continued access of Medi-Cal beneficiaries to critical health, mental health, and substance use services.

Respectfully submitted,



Christina R. Ghaly, M.D., Director
Department of Health Services



Jonathon E. Sherin, M.D., Ph.D., Director
Department of Mental Health



Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director
Department of Public Health



Jaclyn Baucum
Chief Operating Office
Alliance for Health Integration

CRG:aw

Attachments

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Attachment A
In Lieu of Services (a.k.a. Community Supports)

1. **Housing Transition Navigation Services.**
Assists members with finding and obtaining housing.
2. **Housing Deposits.**
Assists with identifying, coordinating, securing, and/or funding one-time services and modifications necessary to enable a person to establish a basic household.
3. **Housing Tenancy and Sustaining Services.**
Supports members in maintaining safe and stable tenancy once housing is secured.
4. **Short-term Post Hospitalization Services.**
Provides beneficiaries who do not have a residence and who have high medical or behavioral health needs with the opportunity to continue their medical/psychiatric/substance use disorder recovery immediately after exiting an institutional setting.
5. **Recuperative Care (Medical Respite).**
Provides short-term integrated and clinical care for individuals who no longer require hospitalization but still need to heal from an injury or illness (including behavioral health conditions);
6. **Respite Services (for caregivers).**
Respite services are provided to caregivers of participants who require intermittent temporary supervision. The services are provided on a short-term basis because of the absence or need for relief of those persons who normally care for and/or supervise them and are non-medical in nature. This service is distinct from medical respite/recuperative care and is rest for the caregiver only.
7. **Day Habilitation Programs.**
Day Habilitation Programs are provided in a participant's home or an out-of-home, non- facility setting. The programs are designed to assist the participant in acquiring, retaining, and improving self-help, socialization, and adaptive skills necessary to reside successfully in the person's natural environment. The services are often considered as peer mentoring when provided by an unlicensed caregiver with the necessary training and supervision. For individuals experiencing homelessness who are receiving enhanced care management or other in lieu of services, the day habilitation program can provide a physical location for participants to meet with and engage with these providers.
8. **Nursing Facility Transition/Diversion to Assisted-Living Facility, such as Residential Care Facilities for Elderly and Adult Residential Facilities.**
Supports individuals who have a choice of residing in an assisted-living setting as an alternative to long-term placement in a nursing facility.

9. **Community Transition Services/Nursing Facility Transition to a Home.**
Assists individuals who are transitioning from a licensed facility to a living arrangement in a private residence.
10. **Environmental Accessibility Adaptations (Home Modifications).**
Provides the physical adaptations to a home that are necessary to ensure the health, welfare, and safety of the individual, or to enable the individual to function with greater independence in the home.
11. **Medically Tailored Meals/Medically Supportive Food.**
Provides individuals with meals following discharge from a hospital or nursing home or medically tailored meals to meet the unique dietary needs of those with chronic diseases.
12. **Sobering Centers.**
An alternative for individuals who are found to be publicly intoxicated or otherwise under the influence of drugs, to enable them to avoid an unnecessary ED visit while still providing a medically safe place for them as the effects of the substance(s) wear off.
13. **Personal Care and Homemaker Services.**
Assists individuals with activities of daily living such as bathing or feeding, and instrumental activities of daily living such as meal preparation or money management.
14. **Asthma Remediation.**
Provides physical modifications to a home environment that are necessary to ensure the health, welfare, and safety of the individual, or to enable the individual to function in the home, and without which acute asthma episodes could result in the need for emergency services and/or hospitalization. Examples include mold removal/remediation, ventilation improvements, and installation of dehumidifiers and air filters.
15. **Other DHCS Approved In Lieu of Services.**
Additional DHCS approved in lieu of services, whether offered by a department or through a plan.

Attachment B

***Enhanced Care Management and In Lieu of Services Provider Standard
Terms and Conditions***

&

Exhibit A (Scope of Work) of the Two-Plan CCI Boilerplate

Attachment A
In Lieu of Services (a.k.a. Community Supports)

1. **Housing Transition Navigation Services.**
Assists members with finding and obtaining housing.
2. **Housing Deposits.**
Assists with identifying, coordinating, securing, and/or funding one-time services and modifications necessary to enable a person to establish a basic household.
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Supports members in maintaining safe and stable tenancy once housing is secured.
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10. **Environmental Accessibility Adaptations (Home Modifications).**
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Provides individuals with meals following discharge from a hospital or nursing home or medically tailored meals to meet the unique dietary needs of those with chronic diseases.
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An alternative for individuals who are found to be publicly intoxicated or otherwise under the influence of drugs, to enable them to avoid an unnecessary ED visit while still providing a medically safe place for them as the effects of the substance(s) wear off.
13. **Personal Care and Homemaker Services.**
Assists individuals with activities of daily living such as bathing or feeding, and instrumental activities of daily living such as meal preparation or money management.
14. **Asthma Remediation.**
Provides physical modifications to a home environment that are necessary to ensure the health, welfare, and safety of the individual, or to enable the individual to function in the home, and without which acute asthma episodes could result in the need for emergency services and/or hospitalization. Examples include mold removal/remediation, ventilation improvements, and installation of dehumidifiers and air filters.
15. **Other DHCS Approved In Lieu of Services.**
Additional DHCS approved in lieu of services, whether offered by a department or through a plan.

Attachment B

***Enhanced Care Management and In Lieu of Services Provider Standard
Terms and Conditions***

&

Exhibit A (Scope of Work) of the Two-Plan CCI Boilerplate



Enhanced Care Management and In Lieu of Services Provider Standard Terms and Conditions



Enhanced Care Management (ECM)

1. ECM Definitions

Key terms are defined as follows:

- a. **Enhanced Care Management (ECM):** a whole-person, interdisciplinary approach to care that addresses the clinical and non-clinical needs of high-need and/or high-cost Members through systematic coordination of services and comprehensive care management that is community-based, interdisciplinary, high-touch, and person-centered. ECM is a Medi-Cal benefit.
- b. **ECM Provider:** a Provider of ECM. ECM Providers are community-based entities with experience and expertise providing intensive, in-person care management services to individuals in one or more of the Populations of Focus for ECM.
2. **Lead Care Manager:** a Member's designated care manager for ECM, who works for the ECM Provider organization (except in circumstances under which the Lead Care Manager could be on staff with MCP, as described in the DHCS-MCP ECM and ILOS Contract, Section 4: ECM Provider Capacity). The Lead Care Manager operates as part of the Member's multi-disciplinary care team and is responsible for coordinating all aspects of ECM and any In Lieu of Services (ILOS). To the extent a Member has other care managers, the Lead Care Manager will be responsible for coordinating with those individuals and/or entities to ensure a seamless experience for the Member and non-duplication of services.

2. ECM Provider Requirements

Provider Experience and Qualifications

- a. ECM Provider shall be experienced in serving the ECM Population(s) of Focus it will serve;
- b. ECM Provider shall have experience and expertise with the services it will provide;
- c. ECM Provider shall comply with all applicable state and federal laws and regulations and all ECM program requirements in the DHCS-MCP ECM and ILOS Contract and associated guidance;
- d. ECM Provider shall have the capacity to provide culturally appropriate and timely in-person care management activities including accompanying Members to critical appointments when necessary;
- e. ECM Provider shall be able to communicate in culturally and linguistically appropriate and accessible ways;
- f. ECM Provider shall have formal agreements and processes in place to engage and cooperate with area hospitals, primary care practices, behavioral

- health Providers, Specialists, and other entities, including ILOS Providers, to coordinate care as appropriate to each Member;
- g. ECM Provider shall use a care management documentation system or process that supports the documentation and integration of physical, behavioral, social service, and administrative data and information from other entities to support the management and maintenance of a Member care plan that can be shared with other Providers and organizations involved in each Member's care. Care management documentation systems may include Certified Electronic Health Record Technology, or other documentation tools that can: document Member goals and goal attainment status; develop and assign care team tasks; define and support Member care coordination and care management needs; gather information from other sources to identify Member needs and support care team coordination and communication and support notifications regarding Member health status and transitions in care (e.g., discharges from a hospital, long-term care facility, housing status).

Medicaid Enrollment/Vetting for ECM Providers

- h. If a State-level enrollment pathway exists, ECM Provider shall enroll as a Medi-Cal provider, pursuant to relevant DHCS APLs including Provider Credentialing/Recredentialing and Screening/Enrollment APL 19-004.
 - i. If APL 19-004 does not apply to an ECM Provider, the ECM Provider must comply with the MCP's process for vetting the ECM Provider, which may extend to individuals employed by or delivering services on behalf of the ECM Provider, to ensure it can meet the capabilities and standards required to be an ECM Provider.

3. Identifying Members for ECM

- a. ECM Provider is encouraged to identify Members who would benefit from ECM and send a request to the MCP, to determine if the Member is eligible for ECM, consistent with the MCP's process for such request.

4. Member Assignment to an ECM Provider

- a. MCP shall communicate new Member assignments to ECM Provider as soon as possible, but in any event no later than ten business days after ECM authorization.
- b. ECM Provider shall immediately accept all Members assigned by MCP for ECM, with the exception that an ECM Provider shall be permitted to decline a Member assignment if ECM Provider is at its pre-determined capacity.
 - i. ECM Provider shall immediately alert MCP if it does not have the capacity to accept a Member assignment.
- c. Upon initiation of ECM, ECM Provider shall ensure each Member assigned has a Lead Care Manager who interacts directly with the Member and/or their

- family member(s), guardian, caregiver, and/or authorized support person(s), as appropriate, and coordinates all covered physical, behavioral, developmental, oral health, long-term services and supports (LTSS), Specialty Mental Health Services, Drug Medi-Cal/Drug Medi-Cal Organized Delivery System services, any In Lieu of Services (ILOS), and other services that address social determinants of health (SDOH) needs, regardless of setting.
- d. ECM Provider shall advise the Member on the process for changing ECM Providers, which is permitted at any time.
 - i. ECM Provider shall advise the Member on the process for switching ECM Providers, if requested.
 - ii. ECM Provider shall notify MCP if the Member wishes to change ECM Providers.
 - iii. MCP must implement any requested ECM Provider change within thirty days.

5. ECM Provider Staffing

- a. At all times, ECM Provider shall have adequate staff to ensure its ability to carry out responsibilities for each assigned Member consistent with this Provider Standard Terms and Conditions, the DHCS-MCP ECM ILOS Contract and any other related DHCS guidance.

6. ECM Provider Outreach and Member Engagement

- a. ECM Provider shall be responsible for conducting outreach to each assigned Member and engaging each assigned Member into ECM, in accordance with MCP's Policies and Procedures .
- b. ECM Provider shall ensure outreach to assigned Members prioritizes those with the highest level of risk and need for ECM.
- c. ECM Provider shall conduct outreach primarily through in-person interaction where Members and/or their family member(s), guardian, caregiver, and/or authorized support person(s) live, seek care, or prefer to access services in their community. ECM Provider may supplement in-person visits with secure teleconferencing and telehealth, where appropriate and with the Member's consent.
 - i. ECM Provider shall use the following modalities, as appropriate and as authorized by the Member, if in-person modalities are unsuccessful or to reflect a Member's stated contact preferences:
 - a. Mail
 - b. Email
 - c. Texts
 - d. Telephone calls
 - e. Telehealth

- d. ECM Provider shall comply with non-discrimination requirements set forth in State and Federal law and the Contract with MCP.

7. Initiating Delivery of ECM

- a. ECM Provider shall obtain, document, and manage Member authorization for the sharing of Personally Identifiable Information between MCP and ECM, ILOS, and other Providers involved in the provision of Member care to the extent required by federal law.
- b. Member authorization for ECM-related data sharing is not required for the ECM Provider to initiate delivery of ECM unless such authorization is required by federal law.
- c. When federal law requires authorization for data sharing, ECM Provider shall communicate that it has obtained Member authorization for such data sharing back to the MCP.
- d. ECM Provider shall notify the MCP to discontinue ECM under the following circumstances:
 - i. The Member has met their care plan goals for ECM;
 - ii. The Member is ready to transition to a lower level of care;
 - iii. The Member no longer wishes to receive ECM or is unresponsive or unwilling to engage; and/or
 - iv. ECM Provider has not had any contact with the Member despite multiple attempts.
- e. When ECM is discontinued, or will be discontinued for the Member, MCP is responsible for sending a Notice of Action (NOA) notifying the Member of the discontinuation of the ECM benefit and ensuring the Member is informed of their right to appeal and the appeals process as instructed in the NOA. ECM Provider shall communicate to the Member other benefits or programs that may be available to the Member, as applicable (e.g., Complex Care Management, Basic Care Management, etc.).

8. ECM Requirements and Core Service Components of ECM

- a. ECM Provider shall ensure ECM is a whole-person, interdisciplinary approach to care that addresses the clinical and non-clinical needs of high-need and/or high-cost Medi-Cal Members enrolled in managed care. ECM Provider shall ensure the approach is person-centered, goal oriented, and culturally appropriate.
 - i. If the ECM Provider subcontracts with other entities to administer ECM functions, the ECM Provider shall ensure agreements with each entity bind the entities to the terms and conditions set forth here and that its Subcontractors comply with all requirements in these Standardized Terms and Conditions and the DHCS-MCP ECM ILOS Contract.
- b. ECM Provider shall:
 - i. Ensure each Member receiving ECM has a Lead Care Manager;

- ii. Coordinate across all sources of care management in the event that a Member is receiving care management from multiple sources;
 - iii. Alert MCP to ensure non-duplication of services in the event that a Member is receiving care management or duplication of services from multiple sources; and
 - iv. Follow MCP instruction and participate in efforts to ensure ECM and other care management services are not duplicative.
- c. ECM Provider shall collaborate with area hospitals, Primary Care Providers (when not serving as the ECM Provider), behavioral health Providers, Specialists, dental Providers, Providers of services for LTSS and other associated entities, such as ILOS Providers, as appropriate, to coordinate Member care.
- d. ECM Provider shall provide all core service components of ECM to each assigned Member, in compliance with MCP's Policies and Procedures, as follows:
 - i. Outreach and Engagement of MCP Members into ECM.
 - ii. Comprehensive Assessment and Care Management Plan, which shall include, but is not limited to:
 - a. Engaging with each Member authorized to receive ECM primarily through in-person contact;
 - i. When in-person communication is unavailable or does not meet the needs of the Member, the ECM Provider shall use alternative methods (including innovative use of telehealth) to provide culturally appropriate and accessible communication in accordance with Member choice.
 - b. Identify necessary clinical and non-clinical resources that may be needed to appropriately assess Member health status and gaps in care, and may be needed to inform the development of an individualized Care Management Plan.
 - c. Developing a comprehensive, individualized, person-centered care plan by working with the Member and/or their family member(s), guardian, Authorized Representative (AR), caregiver, and/or authorized support person(s) as appropriate to assess strengths, risks, needs, goals and preferences and make recommendations for service needs;
 - d. Incorporating into the Member's care plan identified needs and strategies to address those needs, including, but not limited to, physical and developmental health, mental health, dementia, SUD, LTSS, oral health, palliative care, necessary community-based and social services, and housing;

- e. Ensuring the care plan is reassessed at a frequency appropriate for the Member's individual progress or changes in needs and/or as identified in the Care Management Plan; and
 - f. Ensuring the Care Management Plan is reviewed, maintained and updated under appropriate clinical oversight
- iii. Enhanced Coordination of Care, which shall include, but is not limited to:
 - a. Organizing patient care activities, as laid out in the Care Management Plan, sharing information with those involved as part of the Member's multi-disciplinary care team, and implementing activities identified in the Member's Care Management Plan;
 - b. Maintaining regular contact with all Providers, that are identified as being a part of the Member's multi-disciplinary care team, who's input is necessary for successful implementation of Member goals and needs;
 - c. Ensuring care is continuous and integrated among all service Providers and referring to and following up with primary care, physical and developmental health, mental health, SUD treatment, LTSS, oral health, palliative care, and necessary community-based and social services, including housing, as needed;
 - d. Providing support to engage the Member in their treatment, including coordination for medication review and/or reconciliation, scheduling appointments, providing appointment reminders, coordinating transportation, accompaniment to critical appointments, and identifying and helping to address other barriers to Member engagement in treatment;
 - e. Communicating the Member's needs and preferences timely to the Member's multi-disciplinary care team in a manner that ensures safe, appropriate, and effective person-centered care; and
 - f. Ensuring regular contact with the Member and their family member(s), AR, guardian, caregiver, and/or authorized support person(s), when appropriate, consistent with the care plan.
- iv. Health Promotion, which shall adhere to federal care coordination and continuity of care requirements (42 CFR 438.208(b)) and shall include, but is not limited to:
 - a. Working with Members to identify and build on successes and potential family and/or support networks;
 - b. Providing services to encourage and support Members to make lifestyle choices based on healthy behavior, with the goal of

- supporting Members' ability to successfully monitor and manage their health; and
- c. Supporting Members in strengthening skills that enable them to identify and access resources to assist them in managing their conditions and preventing other chronic conditions.
- v. Comprehensive Transitional Care, which shall include, but is not limited to:
 - a. Developing strategies to reduce avoidable Member admissions and readmissions across all Members receiving ECM;
 - b. For Members who are experiencing, or who are likely to experience a care transition:
 - i. Developing and regularly updating a transition of care plan for the Member;
 - ii. Evaluating a Member's medical care needs and coordinating any support services to facilitate safe and appropriate transitions from and among treatment facilities, including admissions and discharges;
 - iii. Tracking each Member's admission and/or discharge to or from an emergency department, hospital inpatient facility, skilled nursing facility, residential or treatment facility, incarceration facility, or other treatment center and communicating with the appropriate care team members;
 - iv. Coordinating medication review/reconciliation; and
 - v. Providing adherence support and referral to appropriate services.
- vi. Member and Family Supports, which shall include, but are not limited to:
 - a. Documenting a Member's designated family member(s), AR, guardian, caregiver, and/or authorized support person(s) and ensuring all appropriate authorizations are in place to ensure effective communication between the ECM Providers, the Member and/or their family member(s), guardian, caregiver, and/or authorized support person(s) and MCP, as applicable;
 - b. Activities to ensure the Member and/or their family member(s), AR, guardian, caregiver, and/or authorized support person(s) are knowledgeable about the Member's condition(s) with the overall goal of improving the Member's care planning and follow-up, adherence to treatment, and medication management, in accordance with Federal, State and local privacy and confidentiality laws;

- c. Ensuring the Member's ECM Provider serves as the primary point of contact for the Member and/or family member(s), AR, guardian, caregiver, and/or authorized support person(s);
 - d. Identifying supports needed for the Member and/or their family member(s), AR, guardian, caregiver, and/or authorized support person(s) to manage the Member's condition and assist them in accessing needed support services;
 - e. Providing for appropriate education of the Member and/or their family member(s), AR, guardian, caregiver, and/or authorized support person(s) about care instructions for the Member; and
 - f. Ensuring that the Member has a copy of their Care Plan and information about how to request updates.
- vii. Coordination of and Referral to Community and Social Support Services, which shall include, but are not limited to:
- a. Determining appropriate services to meet the needs of Members, including services that address SDOH needs, including housing, and services offered by MCP as ILOS; and
 - b. Coordinating and referring Members to available community resources and following up with Members to ensure services were rendered (i.e., "closed loop referrals").

9. Training

- a. ECM Providers shall participate in all mandatory, Provider-focused ECM training and technical assistance provided by MCP, including in-person sessions, webinars, and/or calls, as necessary.

10. Data Sharing to Support ECM

- a. MCP will provide to ECM Provider the following data at the time of assignment and periodically thereafter, and following DHCS guidance for data sharing where applicable:
 - i. Member assignment files, defined as a list of Medi-Cal Members authorized for ECM and assigned to the ECM Provider;
 - ii. Encounter and/or claims data;
 - iii. Physical, behavioral, administrative and SDOH data (e.g., Homeless Management Information System (HMIS data)) for all assigned Members; and
 - iv. Reports of performance on quality measures and/or metrics, as requested.

11. Claims Submission and Reporting

- a. ECM Provider shall submit claims for the provision of ECM-related services to MCP using the national standard specifications and code sets to be defined by DHCS.

- b. In the event ECM Provider is unable to submit claims to MCP for ECM-related services using the national standard specifications and DHCS-defined code sets, ECM Provider shall submit an invoice to the MCP with a minimum set of data elements (to be defined by DHCS) necessary for the MCP to convert the invoice to an encounter for submission to DHCS.

12. Quality and Oversight

- a. ECM Provider acknowledges MCP will conduct oversight of its participation in ECM to ensure the quality of ECM and ongoing compliance with program requirements, which may include audits and/or corrective actions.
- b. ECM Provider shall respond to all MCP requests for information and documentation to permit ongoing monitoring of ECM.

13. Payment for ECM

- a. MCP shall pay contracted ECM Providers for the provision of ECM in accordance with contract established between MCP and ECM Provider.
- b. ECM Provider is eligible to receive payment when ECM is initiated for any given MCP Member.
- c. MCP shall pay 90 percent of all clean claims from practitioners who are individual or group practices or who practice in shared health facilities within 30 days of date of receipt and 99 percent of all clean claims within 90 days. The date of receipt shall be the date MCP receives the claim, as indicated by its date stamp on the claim. The date of payment shall be the date on the check or other form of payment.

In Lieu of Services (ILOS)

1. ILOS Definitions

Key terms are defined as follows:

- a. **In Lieu of Services (ILOS):** Pursuant to 42 CFR 438.3(e)(2), ILOS are services or settings that are offered in place of services or settings covered under the California Medicaid State Plan and are medically appropriate, cost-effective alternatives to services or settings under the State Plan. ILOS are optional for both the MCP and the Member and must be approved by DHCS. DHCS already has pre-approved the list of ILOS included in Section 2: DHCS-Approved ILOS (“pre-approved ILOS”). services [See ILOS Section 2: DHCS Pre-Approved ILOS].
- b. **ILOS Provider:** a contracted Provider of DHCS-approved ILOS. ILOS Providers are entities with experience and/or training providing one or more of the ILOS approved by DHCS.

2. Overview

- a. The ILOS Provider may elect to offer the following DHCS-authorized ILOS to Members (check as applicable):
 - i. ☐ Housing Transition Navigation Services
 - ii. ☐ Housing Deposits
 - iii. ☐ Housing Tenancy and Sustaining Services
 - iv. ☐ Short-Term Post-Hospitalization Housing
 - v. ☐ Recuperative Care (Medical Respite)
 - vi. ☐ Respite Services
 - vii. ☐ Day Habilitation Programs
 - viii. ☐ Nursing Facility Transition/Diversion to Assisted Living Facilities, such as Residential Care Facilities for Elderly (RCFE) and Adult Residential Facilities (ARF)
 - ix. ☐ Community Transition Services/Nursing Facility Transition to a Home
 - x. ☐ Personal Care and Homemaker Services
 - xi. ☐ Environmental Accessibility Adaptations (Home Modifications)
 - xii. ☐ Meals/Medically Tailored Meals
 - xiii. ☐ Sobering Centers
 - xiv. ☐ Asthma Remediation

3. ILOS Provider Requirements

- a. ILOS Providers for whom a State-level enrollment pathway exists, shall enroll in Medi-Cal, pursuant to relevant DHCS APLs including Provider Credentialing/Recredentialing and Screening/Enrollment APL 19-004.
 - i. If APL 19-004 does not apply to an ILOS Provider, the ILOS Provider will comply with the MCP's process for vetting the ILOS Provider, which may extend to individuals employed by or delivering services on behalf of the ILOS Provider, to ensure it can meet the capabilities and standards required to be an ILOS Provider.
- b. Experience and training in the elected ILOS.
 - i. The ILOS Provider shall have experience and/or training in the provision of the ILOS being offered.
 - ii. The ILOS Provider shall have the capacity to provide the ILOS in a culturally and linguistically competent manner, as demonstrated by a successful history of providing such services, training or other factors identified by the MCP.
- c. If the ILOS Provider subcontracts with other entities to administer its functions of ILOS, the ILOS Provider shall ensure agreements with each entity bind each entity to applicable terms and conditions set forth here.

4. Delivery of ILOS

- a. ILOS Provider shall deliver contracted ILOS services in accordance with DHCS service definitions and requirements.
- b. ILOS Provider shall maintain staffing that allows for timely, high-quality service delivery of the ILOS that it is contracted to provide.
- c. ILOS Provider shall:
 - i. Accept and act upon Member referrals from MCP for authorized ILOS, unless the ILOS Provider is at pre-determined capacity;
 - ii. Conduct outreach to the referred Member for authorized ILOS as soon as possible, including by making best efforts to conduct initial outreach within 24 hours of assignment, if applicable;
 - iii. Be responsive to incoming calls or other outreach from Members, including by maintaining a phone line that is staffed or able to record voicemail 24 hours a day, 7 days a week;
 - iv. Coordinate with other Providers in the Member's care team, including ECM Providers, other ILOS Providers and the MCP;
 - v. Comply with cultural competency and linguistic requirements required by federal, State and local laws, and in contract(s) with the MCP; and
 - vi. Comply with non-discrimination requirements set forth in State and Federal law and the Contract with MCP.
- d. When federal law requires authorization for data sharing, ILOS Provider shall obtain and/or document such authorization from each assigned Member,

including sharing of protected health information (PHI), and shall confirm it has obtained such authorization to the MCP.

- i. Member authorization for ILOS-related data sharing is not required for the ILOS Provider to initiate delivery of ILOS unless such authorization is required by federal law. ILOS Provider will be reimbursed only for services that are authorized by MCP. In the event of a Member requesting services not yet authorized by MCP, ILOS Provider shall send prior authorization request(s) to MCP, unless a different agreement is in place (e.g., if the MCP has given the ILOS Provider authority to authorize ILOS directly).
- e. If an ILOS is discontinued for any reason, ILOS Provider shall support transition planning for the Member into other programs or services that meet their needs.
- f. ILOS Provider is encouraged to identify additional ILOS the Member may benefit from and send any additional request(s) for ILOS to MCP for authorization.

5. Payment for ILOS

- a. ILOS Provider shall record, generate, and send a claim or invoice to MCP for ILOS rendered.
 - i. If ILOS Provider submits claims, ILOS Provider shall submit claims to MCP using specifications based on national standards and code sets to be defined by DHCS.
 - ii. In the event ILOS Provider is unable to submit claims to MCP for ILOS-related services using specifications based on national standards or DHCS-defined standard specifications and code sets, ILOS Provider shall submit invoices with minimum necessary data elements defined by DHCS, which includes information about the Member, the ILOS services rendered, and ILOS Providers' information to support appropriate reimbursement by MCPs, that will allow MCPs to convert ILOS invoice information into DHCS-defined standard specifications and code sets for submission to DHCS.
- b. ILOS Provider shall not receive payment from MCP for the provision of any ILOS services not authorized by MCP.
- c. ILOS Provider must have a system in place to accept payment from MCP for ILOS rendered.
 - i. MCP shall pay 90 percent of all clean claims and invoices within 30 days of receipt and 99 percent of clean claims and invoices within 90 days of receipt.
 - ii. MCP will provide expedited payments for urgent ILOS (e.g., recuperative care services for an individual who no longer requires hospitalization, but still needs to heal from an injury or illness, including behavioral health conditions, and whose condition would be

exacerbated by an unstable living environment), pursuant to its Contract with DHCS and any other related DHCS guidance.

6. Data Sharing to Support ILOS

- a. As part of the referral process, MCP will ensure ILOS Provider has access to:
 - i. Demographic and administrative information confirming the referred Member's eligibility for the requested service;
 - ii. Appropriate administrative, clinical, and social service information the ILOS Provider might need in order to effectively provide the requested service; and
 - iii. Billing information necessary to support the ILOS Provider's ability to submit invoices to MCP.

7. Quality and Oversight

- a. ILOS Provider acknowledges MCP will conduct oversight of its delivery of ILOS to ensure the quality of services rendered and ongoing compliance with all legal and contractual obligations both the MCP and the ILOS Provider have, including but not limited to, required reporting, audits, and corrective actions, among other oversight activities.

Exhibit A
SCOPE OF WORK

1. Service Overview

Contractor agrees to provide to the California Department of Health Care Services (DHCS) the services described herein.

Provide health care services to eligible Medi-Cal recipients within the scope of Medi-Cal benefits as defined in the contents of this Contract.

2. Service Location

The services shall be performed at all contracting and participating facilities of the Contractor.

3. Service Hours

The services shall be provided on a 24-hour, seven (7) days a week basis.

4. Project Representatives

A. The project representatives during the term of this agreement will be:

Department of Health Care Services Managed Care Operations Division Attention: Chief, Managed Care Systems and Support Branch	
Telephone: (916) 449-5100 Fax: (916) 449-5090	

B. Direct all inquiries to:

Department of Health Care Services Managed Care Operations Division Attention: Contracting Officer	
1501 Capitol Avenue, Suite 71.4001 MS 4407 P.O. Box Number 997413 Sacramento, CA 95899-7413 Telephone: (916) 449-5000 Fax: (916) 449-5005	

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

**Exhibit A, Attachment 1
ORGANIZATION AND ADMINSTRAT**

1. Legal Capacity

Contractor shall maintain the legal capacity to contract with DHCS and maintain appropriate licensure as a health care service plan in accordance with the Knox-Keene Health Care Service Plan Act of 1975 as amended.

2. Key Personnel (Disclosure Form)

- A. Contractor shall file an annual statement with DHCS disclosing any purchases or leases of services, equipment, supplies, or real property from an entity in which any of the following persons have a substantial financial interest:
 - 1) Any person or corporation having 5% or more ownership or controlling interest in the Contractor.
 - 2) Any director, officer, partner, trustee, or employee of the Contractor.
 - 3) Any member of the immediate family of any person designated in 1) or 2) above.
- B. Comply with Title 42 Code of Federal Regulations (CFR) 455.104 (Disclosure by providers and fiscal agents: Information on ownership and control), 42 CFR 455.105 (Disclosure by providers: Information related to business transactions), 42 CFR 455.106 and 42 CFR 438.610 (Prohibited Affiliations with Individuals Debarred by Federal Agencies).

3. Conflict of Interest – Current And Former State Employees

- A. This Contract shall be governed by the Conflict of Interest provisions of Title 22 CCR Sections 53874 and 53600, and 42 CFR 438. 3(f)(2).
- B. Contractor shall not utilize in the performance of this Contract any State officer or employee in the State civil service or other appointed State official unless the employment, activity, or enterprise is required as a condition of the officer's or employee's regular State employment. For purposes of this subsection (B) only, employee in the State civil service is defined to be any person legally holding a permanent or intermittent position in the State civil service.

4. Contract Performance

Contractor shall maintain the organization and staffing for implementing and operating the Contract in accordance with Title 28, CCR, Section 1300.67.3 and Title 22 CCR Sections 53800, 53851 and 53857. Contractor shall ensure the following:

**Exhibit A, Attachment 1
ORGANIZATION AND ADMINSTRAT**

- A. The organization has an accountable governing body.
- B. This Contract is a high priority and that the Contractor is committed to supplying any necessary resources to assure full performance of the Contract.
- C. If the Contractor is a subsidiary organization, the attestation of the parent organization that this Contract will be a high priority to the parent organization. The parent organization is committed to supplying any necessary resources to assure full performance of the Contract.
- D. Staffing in medical and other health services, and in fiscal and administrative services sufficient to result in the effective conduct of the plan's business.
- E. Written procedures for the conduct of the business of the plan, including the provision of health care services, so as to provide effective controls.

5. Medical Decisions

Contractor shall ensure that medical decisions, including those by Sub-contractors and rendering Providers, are not unduly influenced by fiscal and administrative management.

6. Medical Director

Contractor shall maintain a full time physician as medical director pursuant to Title 22 CCR Section 53857 whose responsibilities shall include, but not be limited to, the following:

- A. Ensuring that medical decisions are:
 - 1) Rendered by qualified medical personnel.
 - 2) Are not influenced by fiscal or administrative management considerations.
- B. Ensuring that the medical care provided meets the standards for acceptable medical care.
- C. Ensuring that medical protocols and rules of conduct for plan medical personnel are followed.
- D. Developing and implementing medical policy.
- E. Resolving Grievances related to medical quality of care.

**Exhibit A, Attachment 1
ORGANIZATION AND ADMINSTRAT**

- F. Direct involvement in the implementation of Quality Improvement activities.
- G. Actively participating in the functioning of Grievance and Appeal procedures.

7. Medical Director Changes

Contractor shall report to DHCS any changes in the status of the medical director within ten (10) calendar days.

8. Administrative Duties/Responsibilities

Contractor shall maintain the organizational and administrative capabilities to carry out its duties and responsibilities under the Contract. This will include at a minimum the following:

- A. Member and enrollment reporting systems as specified in Exhibit A, Attachment 3, Management Information System, and, Exhibit A, Attachment 13, Member Services, and Exhibit A, Attachment 14, Member Grievance and Appeal System.
- B. A Member Grievance and Appeal procedure, as specified in Exhibit A, Attachment 14, Member Grievance and Appeal System.
- C. Data reporting capabilities sufficient to provide necessary and timely reports to DHCS, as required by Exhibit A, Attachment 3, Management Information System.
- D. Financial records and books of account maintained on the accrual basis, in accordance with Generally Accepted Accounting Principles, which fully disclose the disposition of all Medi-Cal program funds received, as specified in Exhibit A, Attachment 2, Financial Information.
- E. Claims processing capabilities as described in Exhibit A, Attachment 8, Provider Compensation Arrangements.

9. Member Representation

Contractor shall ensure that Medi-Cal Members, including Seniors and Persons with Disabilities (SPD), persons with chronic conditions (such as asthma, diabetes, congestive heart failure), and Members who use Managed Long Term Services and Supports (MLTSS) or their representatives are included and participate in establishing public policy within the Contractor's advisory committee or other similar committee or group.

10. Sensitivity Training

**Exhibit A, Attachment 1
ORGANIZATION AND ADMINSTRAT**

Contractor shall ensure that all personnel who interact with SPD beneficiaries, as well as those who may potentially interact with SPD beneficiaries, and any other staff deemed appropriate by Contractor or DHCS, shall receive sensitivity training.

**Exhibit A, Attachment 2
FINANCIAL INFORMATION**

1. Financial Viability/Standards Compliance

Contractor shall meet and maintain financial viability/standards compliance to DHCS' satisfaction for each of the following elements:

A. Tangible Net Equity (TNE).

Contractor at all times shall be in compliance with the TNE requirements in accordance with Title 28, CCR, Section 1300.76.

B. Administrative Costs.

Contractor's Administrative Costs shall not exceed the standards as established under Title 22 CCR Section 53864(b).

C. Standards of Organization and Financial Soundness.

Contractor shall maintain an organizational structure sufficient to conduct the proposed operations and ensure that its financial resources are sufficient for sound business operations in accordance with Title 28, CCR, Sections 1300.67.3, 1300.75.1, 1300.76.3, 1300.77.1, 1300.77.2, 1300.77.3, 1300.77.4, and Title 22 CCR Sections 53851, 53863, and 53864.

D. Working capital and current ratio of one of the following:

- 1) Contractor shall maintain a working capital ratio of at least 1:1; or
- 2) Contractor shall demonstrate to DHCS that Contractor is now meeting financial obligations on a timely basis and has been doing so for at least the preceding two years; or
- 3) Contractor shall provide evidence that sufficient noncurrent assets, which are readily convertible to cash, are available to achieve an equivalent working capital ratio of 1:1, if the noncurrent assets are considered current.

2. Financial Audit Reports

Contractor shall ensure that an annual audit is performed according to Welfare and Institutions Code, Section 14459. Certified Public Accountant's audited Financial Statements shall be submitted to DHCS no later than 120 calendar days after the close of Contractor's fiscal year. Combined Financial Statements shall be prepared to show the financial position of the overall related health care delivery system when delivery of care or other services is dependent upon

**Exhibit A, Attachment 2
FINANCIAL INFORMATION**

Affiliates. Financial Statements shall be presented in a form that clearly shows the financial position of Contractor separately from the combined totals. Inter-entity transactions and profits shall be eliminated if combined statements are prepared. If an independent accountant decides that preparation of combined statements is inappropriate, Contractor shall have separate certified Financial Statements prepared for each entity.

- A. The independent accountant shall state in writing the reasons for not preparing combined Financial Statements.
- B. Contractor shall provide supplemental schedules that clearly reflect all inter-entity transactions and eliminations necessary to enable DHCS to analyze the overall financial status of the entire health care delivery system.
 - 1) In addition to annual certified Financial Statements, Contractor shall complete the State Department of Managed Health Care (DMHC) required financial reporting forms. The Certified Public Accountant's audited Financial Statements and DMHC required financial reporting forms shall be submitted to DHCS no later than 120 calendar days after the close of Contractor's Fiscal Year.
 - 2) If Contractor is a public entity or a political subdivision of the State and a county grand jury conducts Contractor's financial audits, Contractor shall submit its financial statement within 180 calendar days after the close of Contractor's Fiscal Year in accordance with Health and Safety Code, Section 1384.
 - 3) Contractor shall submit to DHCS within 45 calendar days after the close of Contractor's fiscal quarter, quarterly financial reports required by Title 22 CCR Section 53862(b)(1). The required quarterly financial reports shall be prepared on DMHC required financial reporting forms and shall include, at a minimum, the following reports/schedules:
 - a) Jurat.
 - b) Report 1A and 1B: Balance Sheet.
 - c) Report 2: Statement of Revenue, Expenses, and Net Worth.
 - d) Statement of Cash Flow, prepared in accordance with Financial Accounting Standards Board Statement Number 95 (This statement is prepared in lieu of Report #3: Statement of Changes in Financial Position for Generally Accepted Accounting Principles (GAAP) compliance.)

**Exhibit A, Attachment 2
FINANCIAL INFORMATION**

- e) Report 4: Enrollment and Utilization Table.
 - f) Schedule F: Unpaid Claims Analysis.
 - g) Appropriate footnote disclosures in accordance with GAAP.
 - h) Schedule H: Aging Of All Claims.
- C. Contractor shall authorize its independent accountant to allow DHCS designated representatives or agents, upon written request, to inspect any and all working papers related to the preparation of the audit report.
- D. Contractor shall submit to DHCS all financial reports relevant to Affiliates as specified in Title 22 CCR Section 53862(c)(4).
- E. Contractor shall submit to DHCS copies of any financial reports submitted to other public or private organizations as specified in Title 22 CCR Section 53862(c)(5).

3. All Financial Statements

- A. Contractor shall submit Medi-Cal financial reports, including financial information for Adult Expansion Members. Contractor shall submit financial reports to DHCS no later than 120 calendar days after the close of the following periods:
- 1) January 1, 2014 to June 30, 2015 (18 months); and
 - 2) July 1, 2015 to June 30, 2016 (12 months)
- B. Contractor shall prepare all financial information requested by DHCS in accordance with Generally Accepted Accounting Principles. Contractor's financial reports shall be prepared in the DMHC required financial reporting format. All financial reports shall include the following reports/schedules:
- 1) Report 2: Statement of Revenue, Expenses, and Net Worth; and
 - 2) Report 4: Enrollment and Utilization Table.
- C. Where appropriate, this Contract refers to the Knox-Keene Health Care Service Plan Act of 1975 rules in Title 28, CCR Section 1300.51 et. seq. Contractor shall submit information based on current operations. Contractor, as well as Subcontractors, shall submit financial information consistent with DMHC filing requirements unless otherwise specified by DHCS.

**Exhibit A, Attachment 2
FINANCIAL INFORMATION**

4. Monthly Financial Statements

If Contractor and/or Subcontractor is required to file monthly Financial Statements with DMHC, Contractor and/or Subcontractor shall file an exact copy of the monthly Financial Statements with DHCS. Contractor and/or Subcontractor shall submit monthly financial statements to the DHCS upon request, if deemed necessary, to monitor the Contractor and/or Subcontractor's financial viability.

Contractor shall submit to DHCS no later than 30 calendar days after the close of Contractor's fiscal month, monthly financial reports in accordance with Title 22, CCR, Section 53862(c)(6). Monthly financial reports shall be prepared on the DMHC-required financial reporting forms and shall include, at a minimum, the following reports/schedules:

- A. Jurat.
- B. Report 1A and 1B: Balance Sheet
- C. Report 2: Statement of Revenue, Expenses, and Net Worth.
- D. Statement of Cash Flow, prepared in accordance with Financial Accounting Standards Board Statement Number 95 (This statement is prepared in lieu of Report #3: Statement of Changes in Financial Position for Generally Accepted Accounting Principles (GAAP) compliance.)
- E. Report 4: Enrollment and Utilization Table.
- F. Schedule F: Unpaid Claims Analysis.
- G. Appropriate footnote disclosures in accordance with GAAP.
- H. Schedule H: Aging of All Claims.

5. Quarterly Financial Statements

Contractor shall submit to DHCS no later than 45 calendar days after the close of Contractor's fiscal quarter, quarterly financial reports. Contractor's quarterly financial reports shall be prepared on the DMHC required financial reporting forms and shall include, at a minimum, the following reports/schedules:

- A. Jurat.
- B. Report 1A and 1B: Balance Sheet
- C. Report 2: Statement of Revenue, Expenses, and Net Worth.
- D. Statement of Cash Flow, prepared in accordance with Financial

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FINANCIAL INFORMATION**

Accounting Standards Board Statement Number 95 (This statement is prepared in lieu of Report #3: Statement of Changes in Financial Position for Generally Accepted Accounting Principles (GAAP) compliance.)

- E. Report 4: Enrollment and Utilization Table.
- F. Schedule F: Unpaid Claims Analysis.
- G. Appropriate footnote disclosures in accordance with GAAP.
- H. Schedule H: Aging of All Claims.

6. Annual Financial Statements

Contractor shall submit to DHCS no later than 120 calendar days after the close of Contractor's fiscal year, annual financial reports. Contractor's annual financial reports shall be prepared on the DMHC required financial reporting forms and shall include, at a minimum, the following reports/schedules:

- A. Jurat.
- B. Report 1A and 1B: Balance Sheet
- C. Report 2: Statement of Revenue, Expenses, and Net Worth.
- D. Statement of Cash Flow, prepared in accordance with Financial Accounting Standards Board Statement Number 95 (This statement is prepared in lieu of Report #3: Statement of Changes in Financial Position for Generally Accepted Accounting Principles (GAAP) compliance.)
- E. Report 4: Enrollment and Utilization Table.
- F. Schedule F: Unpaid Claims Analysis.
- G. Appropriate footnote disclosures in accordance with GAAP.
- H. Schedule H: Aging of All Claims.

7. Medi-Cal Line of Business Financial Statements

Contractor shall prepare and submit a stand-alone Medi-Cal line of business income statement and enrollment table on each financial reporting period required. Contractor shall prepare this income statement and enrollment table in the DMHC required financial reporting format for each specific county of operation and shall include, at a minimum, the following reports/schedules:

- A. Report 2: Statement of Revenue, Expenses, and Net Worth by County.

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FINANCIAL INFORMATION**

- B. Report 4: Enrollment and Utilization Table by County.

Medi-Cal line of business Financial Statements are to include expenses, revenues and enrollment only for Medi-Cal beneficiaries enrolled through direct contract with DHCS.

Contactor shall submit the Medi-Cal line of business financial statements within the same time frame as indicated for each required financial statement with the exception of the annual financial statement. The annual Medi-Cal line of business Financial Statements shall be submitted to DHCS no later than 120 calendar days after the close of the State fiscal year.

8. Annual Forecasts

Contractor shall submit to DHCS at least 60 days prior to the beginning of Contractor's fiscal year, an annual forecast for Contractor's next fiscal year. Contractor's annual forecast shall be prepared on the DMHC required financial reporting forms and shall include, at a minimum, the following reports/schedules:

- A. Report 2: Statement of Revenue, Expenses, and Net Worth by County. (Medi-Cal line of business)
- B. Report 4: Enrollment and Utilization Table by County. (Medi-Cal line of business)
- C. TNE. (All lines of business)
- D. A detailed explanation of all underlying assumptions used to develop the forecast.

9. Compliance with Audit Requirements

Contractor shall cooperate with DHCS' audits. Such audits may be waived upon submission of the financial audit for the same period conducted by DMHC pursuant to Health and Safety Code, Section 1382.

10. Submittal of Financial Information

- A. Contractor shall prepare financial information requested in accordance with GAAP. Where Financial Statements and projections/forecasts are requested, these statements and projections/forecasts should be prepared in accordance with the 1989 HMO Financial Report of Affairs and Conditions Format. Where appropriate, reference has been made to the Knox-Keene Health Care Service Plan Act of 1975 rules found under Title 28, CCR, Section 1300.51 et. seq. Information submitted shall be based

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FINANCIAL INFORMATION**

on current operations. Contractor and/or Subcontractors shall submit financial information consistent with filing requirements of the DMHC unless otherwise specified by DHCS.

- B. Contractor shall prepare and submit a stand-alone Medi-Cal line of business income statement for each financial reporting period required. This income statement shall be prepared in DMHC required financial reporting format.

11. Fiscal Viability of Subcontracting Entities

Contractor shall maintain a system to evaluate and monitor the financial viability of all risk bearing subcontracting Provider groups including, but not limited to, HMOs, independent physician/provider associations (IPAs), medical groups, and Federally Qualified Health Centers (FQHC).

12. Contractor's Obligations

Contractor is required under the terms of this Contract to provide any other financial reports/information not listed above as deemed necessary by DHCS to properly monitor the Contractor and/or Subcontractor's financial condition.

**Exhibit A, Attachment 3
MANAGEMENT INFORMATION SYSTEM**

1. Management Information System Capability

- A. Contractor's Management and Information System (MIS) shall have the capability to capture, edit, and utilize various data elements for both internal management use as well as to meet the data quality and timeliness requirements of DHCS's Encounter Data submission. All data related to this Contract shall be available to DHCS and to the Centers for Medicare and Medicaid Services (CMS) upon request. Contractor shall have and maintain a MIS that provides, at a minimum:
- 1) All Medi-Cal eligibility data,
 - 2) Information of Members enrolled in Contractor's plan,
 - 3) Provider claims status and payment data,
 - 4) Health care services delivery Encounter Data,
 - 5) Provider Network information, and
 - 6) Financial information as specified in Exhibit A, Attachment 1, Provision 8. Administrative Duties/Responsibilities.
- B. Contractor's MIS shall have processes that support the interactions between Financial, Member/Eligibility; Provider; Encounter Claims; Quality Management/Quality Improvement/Utilization; and Report Generation subsystems. The interactions of the subsystems must be compatible, efficient and successful.

2. Encounter Data Reporting

- A. Contractor shall maintain a MIS that collects and reports Encounter Data to DHCS in compliance with 42 CFR 438.242, and pursuant to applicable DHCS All Plan Letters (APL).
- B. Contractor shall implement policies and procedures for ensuring the complete, accurate, reasonable, and timely submission of Encounter Data to DHCS for all items and services furnished to a Member under this Contract, whether directly or through Subcontracts or other arrangements, including capitated Providers. Encounter Data shall be submitted on at least a monthly basis in a form and manner specified by DHCS.
- C. Contractor shall require Subcontractors and non-contracting Providers to submit claims and Encounter Data to Contractor to meet its administrative functions and the requirements set forth in this Section. Contractor shall have in place mechanisms, including edit and reporting systems sufficient

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MANAGEMENT INFORMATION SYSTEM**

to assure Encounter Data is complete, accurate, reasonable, and timely prior to submission to DHCS. Contractor shall ensure the completeness, accuracy, reasonability, and timeliness of all Subcontractor Encounter Data regardless of whether Subcontractor is reimbursed on a Fee-For-Service (FFS) or capitated basis.

- D. Contractor shall submit complete, accurate, reasonable, and timely Encounter Data within six (6) business days of the end of each month following the month of payment, under this Contract or as otherwise agreed upon by DHCS, and in the format specified by DHCS.
- E. DHCS shall review and validate the Encounter Data for completeness, accuracy, reasonability, and timeliness.
- F. If DHCS finds deficiencies regarding the completeness, accuracy, reasonability, and timeliness of the Encounter Data, DHCS may notify Contractor in writing of the deficiency and request correction and resubmission of the relevant Encounter Data. Contractor shall ensure that corrected Encounter Data is resubmitted within 15 calendar days of the date of DHCS' notice. Upon Contractor's written request, DHCS may grant an extension for submission of corrected Encounter Data.
- G. Contractor shall ensure all Encounter Data is submitted to DHCS within two (2) months of adjudication of a FFS claim or receipt of a capitated Encounter. Subcontractors and Providers must comply with this Provision for submission of Encounter Data to Contractor. All Encounter Data shall be submitted to Contractor no later than 12 months from the date of service.
- H. DHCS or its agent will periodically, but not less frequently than once every three (3) years, conduct an independent audit of the Encounter Data submitted by, or on behalf of, Contractor, in accordance with 42 CFR 438.602(e).

3. MIS/Data Correspondence

Upon receipt of written notice by DHCS of any problems related to the submittal of data to DHCS, or any changes or clarifications related to Contractor's MIS system, Contractor shall submit to DHCS a Corrective Action Plan with measurable benchmarks within 30 calendar days from the date of the postmark of DHCS' written notice to Contractor. Within 30 calendar days of DHCS' receipt of Contractor's Corrective Action Plan, DHCS shall approve the Corrective Action Plan or request revisions. Within 15 calendar days after receipt of a request for revisions to the Corrective Action Plan, Contractor shall submit a revised Corrective Action Plan for DHCS approval.

**Exhibit A, Attachment 3
MANAGEMENT INFORMATION SYSTEM**

4. Health Insurance Portability and Accountability Act (HIPAA)

Contractor shall comply with Exhibit G, Health Insurance Portability and Accountability Act (HIPAA) requirements and all Federal and State regulations promulgated from this Act, as they become effective.

5. Participation in the State Drug Rebate Program

A. Contractor shall participate in the federal and State drug rebate program by including all utilization data for both current and retroactive outpatient drugs in its Encounter Data as necessary to meet federal requirements in Section 1927(k)(2) of the Social Security Act.

1) Encounter Data for outpatient drugs shall comply with Section 1927(b)(1)(A) of the Social Security Act.

2) All outpatient drug Encounter Data shall include, at a minimum, the total number of units of each dosage form, strength, and package size, by National Drug Code, for each claim, including eligible Physician Administered Drug claims.

B. Pursuant to 42 CFR 438.3(s), Contractor shall ensure that Encounter Data for outpatient drugs from participants in the federal 340B program contains DHCS-required identifiers to maintain compliance with the requirements of 42 USC 256b(a)(5)(A)(i). Contractor shall also comply with the provisions of W & I Code 14105.46.

C. Contractor shall assist DHCS in resolving manufacturer rebate disputes due to Provider Network or Encounter Data submissions.

**Exhibit A, Attachment 4
QUALITY IMPROVEMENT SYSTEM**

1. General Requirement

Contractor shall implement an effective Quality Improvement System (QIS) in accordance with the standards set forth in Title 28, CCR, Section 1300.70 and 42 CFR 438.330. Contractor shall monitor, evaluate, and take effective action to address any needed improvements in the quality of care delivered by all Providers rendering services on its behalf, in any setting. Contractor shall be accountable for the quality of all Covered Services regardless of the number of contracting and subcontracting layers between Contractor and the Provider. This provision does not create a cause of action against the Contractor on behalf of a Medi-Cal beneficiary for malpractice committed by a Subcontractor.

2. Accountability

Contractor shall maintain a system of accountability which includes the participation of the governing body of the Contractor's organization, the designation of a quality improvement committee with oversight and performance responsibility, the supervision of activities by the medical director, and the inclusion of contracted physicians and contracted Providers in the process of QIS development and performance review. Participation of non-contracting Providers is discretionary.

3. Governing Body

Contractor shall implement and maintain policies that specify the responsibilities of the governing body, including at a minimum, the following:

- A. Approves the overall QIS and the annual report of the QIS.
- B. Appoints an accountable entity or entities within Contractor's organization to provide oversight of the QIS.
- C. Routinely receives written progress reports from the quality improvement committee describing actions taken, progress in meeting QIS objectives, and improvements made.
- D. Directs the operational QIS to be modified on an ongoing basis, and tracks all review findings for follow-up.

4. Quality Improvement Committee

- A. Contractor shall implement and maintain a Quality Improvement Committee (QIC) designated by, and accountable to, the governing body; the committee shall be facilitated by the medical director or a physician designee. Contractor must ensure that Subcontractors, who are representative of the composition of the Provider Network including but

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QUALITY IMPROVEMENT SYSTEM**

not limited to Subcontractors who provide health care services to Seniors and Persons with Disabilities and chronic conditions (such as asthma, diabetes, congestive heart failure), actively participate on the committee or medical sub-committee that reports to the QIC.

- B. The committee shall meet at least quarterly but as frequently as necessary to demonstrate follow-up on all findings and required actions. The activities, findings, recommendations, and actions of the committee shall be reported to the governing body in writing on a scheduled basis.
- C. Contractor shall maintain minutes of committee meetings and minutes shall be submitted to DHCS quarterly. Contractor shall maintain a process to ensure rules of confidentiality are maintained in quality improvement discussions as well as avoidance of conflict of interest on the part of committee members.

5. Provider Participation

Contractor shall ensure that contracting physicians and other Providers from the community shall be involved as an integral part of the QIS. Contractor shall maintain and implement appropriate procedures to keep contracting Providers informed of the written QIS, its activities, and outcomes.

6. Delegation of Quality Improvement Activities

- A. Contractor is accountable for all quality improvement functions and responsibilities (e.g. Utilization Management, Credentialing and Site Review) that are delegated to Subcontractors. If Contractor delegates quality improvement functions, Contractor and delegated entity (Subcontractor) shall include in their Subcontract, at a minimum:
 - 1) Quality improvement responsibilities, and specific delegated functions and activities of the Contractor and Subcontractor.
 - 2) Contractor's oversight, monitoring, and evaluation processes and Subcontractor's agreement to such processes.
 - 3) Contractor's reporting requirements and approval processes. The agreement shall include Subcontractor's responsibility to report findings and actions taken as a result of the quality improvement activities at least quarterly.
 - 4) Contractor's actions/remedies if Subcontractor's obligations are not met.
- B. Contractor shall maintain a system to ensure accountability for delegated

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quality improvement activities, that at a minimum:

- 1) Evaluates Subcontractor's ability to perform the delegated activities including an initial review to assure that the Subcontractor has the administrative capacity, task experience, and budgetary resources to fulfill its responsibilities.
- 2) Ensures Subcontractor meets standards set forth by the Contractor and DHCS.
- 3) Includes the continuous monitoring, evaluation and approval of the delegated functions.

7. Written Description

Contractor shall implement and maintain a written description of its QIS that shall include the following:

- A. Organizational commitment to the delivery of quality health care services as evidenced by goals and objectives which are approved by Contractor's governing body and periodically evaluated and updated.
- B. Organizational chart showing the key staff and the committees and bodies responsible for quality improvement activities including reporting relationships of QIS committee(s) and staff within Contractor's organization.
- C. Qualifications of staff responsible for quality improvement studies and activities, including education, experience and training.
- D. A description of the system for Provider review of QIS findings, which at a minimum, demonstrates physician and other appropriate professional involvement and includes provisions for providing feedback to staff and Providers, regarding QIS study outcomes.
- E. The role, structure, and function of the quality improvement committee.
- F. The processes and procedures designed to ensure that all Medically Necessary Covered Services are available and accessible to all Members regardless of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56, and that all Covered Services are provided in a culturally and linguistically appropriate manner.
- G. A description of the mechanisms used to continuously review, evaluate,

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and improve access to and availability of services. The description shall include methods to ensure that Members are able to obtain appointments within established standards.

- H. Description of the quality of clinical care services provided, including, but not limited to, preventive services for children and adults, perinatal care, primary care, specialty, emergency, inpatient, and ancillary care services.
- I. Description of the activities, including activities used by Members that are Seniors and Persons with Disabilities or persons with chronic conditions, and Members who use MLTSS in accordance with the standards set forth in 42 CFR 438.330(b)(5), designed to assure the provision of case management, coordination and continuity of care services. Such activities shall include, but are not limited to, those designed to assure availability and access to care, clinical services, and care management.

8. Quality Improvement Annual Report

Contractor shall develop an annual quality improvement report for submission to DHCS on an annual basis. Contractor's responsibilities shall include, but are not limited to:

- A. Providing an annual report to DHCS that includes a comprehensive assessment of the quality improvement activities undertaken and an evaluation of areas of success and needed improvements in services rendered within the quality improvement program, including but not limited to, the collection of aggregate data on utilization; the quality review of services rendered; the results of the External Accountability Set measures; and, outcomes/findings from Performance Improvement Projects (PIPs), consumer satisfaction surveys, and collaborative initiatives.
- B. Providing copies of all final reports of independent private accrediting agencies (e.g. JCAHO, NCQA) relevant to Contractor's Medi-Cal line of business, including:
 - 1) Accreditation status, survey type, and level, as applicable;
 - 2) Accreditation agency results, including recommended actions or improvements, corrective action plans, and summaries of findings; and
 - 3) Expiration date of the accreditation.
- C. Providing an annual report to DHCS that includes an assessment of all

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Subcontractors performance of delegated quality improvement activities.

- D. Upon request from DHCS to Contractor, authorizing any independent private accrediting agency to provide DHCS a copy of its most recent accreditation review.

9. External Quality Review Requirements

At least annually or as designated by DHCS, DHCS shall arrange for an External Quality Review of Contractor by an entity qualified to conduct such reviews in accordance with Title 22 CCR Section 53860(d), Title 42, USC, Section 1396u-2(c)(2), and 42 CFR 438.350, 438.358, and 438.364. Contractor shall cooperate with and assist the External Quality Review Organization (EQRO) contracted with DHCS in the conduct of this review.

A. External Accountability Set (EAS) Performance Measures

The EAS performance measures consist of a set of Healthcare Effectiveness Data and Information Set (HEDIS®) measures developed by the National Committee for Quality Assurance (NCQA). The EAS performance measures may also include other standardized performance measures and/or DHCS developed performance measures selected by DHCS for evaluation of health plan performance.

- 1) On an annual basis, Contractor shall submit to an on-site EAS Compliance Audit (previously referred to as the Health Plan Employer Data and Information Set (HEDIS®) Compliance Audit™) to assess the Contractor's information and reporting systems, as well as the Contractor's methodologies for calculating performance measure rates. Contractor shall use the DHCS-selected contractor for performance of the EAS/HEDIS Compliance Audit and calculation of DHCS-developed performance measures that constitute the EAS. Compliance Audits will be performed by an EQRO as contracted and paid for by the State.
- 2) Contractor shall calculate and report all EAS performance measures at the county level.
 - a) HEDIS rates are to be calculated by the Contractor and verified by the DHCS-selected EQRO. Rates for other standardized and/or DHCS-developed performance measures will be calculated by the Contractor, DHCS staff or the EQRO, as directed by DHCS.
 - b) Contractor shall report audited results on the EAS performance measures to DHCS no later than June 15 of

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each year or such date as established by DHCS. Contractor shall initiate reporting on EAS performance measures for the reporting cycle following the first year of operation.

- 3) Contractor shall meet or exceed the DHCS-established Minimum Performance Level (MPL) for each HEDIS measure, and any other EAS performance measures required pursuant to of this Provision.
 - a) For each measure that does not meet the MPL set for that year, or is reported as a “Not Report” (NR) due to an audit failure, Contractor must submit a plan outlining the steps that will be taken to improve the subsequent year’s performance.
 - b) The improvement plan must include, at a minimum, identification of the team that will address the problem, a root cause analysis, identification of interventions that will be implemented, and a proposed timeline.
 - c) Improvement plans are due to DHCS within 60 calendar days of DHCS’ notification that the Contractor has performed at or below the MPL for the period under review.
 - d) Additional reporting may be required of the Contractor until such time as improvement is demonstrated.

B. Under/Over-Utilization Monitoring

In addition to the EAS performance measures, Contractor shall submit to an audit of, and report rates for, an Under/Over-Utilization Monitoring Measure Set based upon selected HEDIS Use of Service measures or any other standardized or DHCS-developed utilization measures selected by DHCS. These measures may be audited as part of the EAS/HEDIS Compliance Audit, and these rates shall be submitted with the EAS audited rates or separately as directed by DHCS. DHCS will bear the costs associated with the Compliance Audit as performed by the contracted EQRO. The measures selected for inclusion in the set will be chosen by DHCS on an annual basis. By August 1 of each year, DHCS will notify Contractors of the HEDIS and other EAS performance measures selected for inclusion in the following year’s Utilization Monitoring measure set.

C. Performance Improvement Projects (PIPs)

- 1) For this Contract, Contractor is required to conduct or participate in two (2) PIPs per year, approved by DHCS. If Contractor holds multiple managed care contracts with DHCS, Contractor is required

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to conduct or participate in two PIPs for each contract. At its sole discretion, DHCS may require Contractor to conduct or participate in additional PIPs.

- a) One PIP must be either an internal performance improvement project (IPIP) or a small group collaborative (SGC) facilitated by a health plan or DHCS. The SGC must include a minimum of four (4) DHCS health plan contactors and must use standardized measures and clinical practice guidelines. Additionally, all contracting health plans participating in a SGC must agree to the same goal, timelines for development, implementation, and measurement. Contracting health plans participating in a SGC must also agree on the nature of contracting health plan commitment of staff and other resources to the collaborative project.
 - b) One PIP must be a DHCS facilitated Statewide Collaborative. If the Contract operation start date of this Contract is after the Statewide Collaborative has begun implementation, upon DHCS's approval, Contractor may substitute a SGC and/or IPIP in place of the Statewide Collaborative.
- 2) If this Contract covers multiple counties, Contractor must include all counties in a PIP unless otherwise approved by DHCS.
- 3) Contractor shall comply with APL 16-018, as well as any subsequent updates, and shall use the PIP reporting format as designated therein to request approval of proposed PIPs from DHCS and to report at least annually to DHCS on the status of each PIP. The required documentation for PIP proposals and for PIP status reports shall include but is not limited to:
- a) In-depth qualitative and quantitative analysis of barriers and results.
 - b) Evidence-based interventions and best practices, when available, and system wide intervention, when appropriate.
 - c) Interventions that address health disparities.
 - d) Measurement of performance using objective quality indicators.
 - e) Strategies for sustaining and spreading improvement beyond

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the duration of the PIP.

D. Consumer Satisfaction Survey

At intervals as determined by DHCS, DHCS' contracted EQRO will conduct a consumer satisfaction survey of a representative sample of members enrolled in Contractor's plan in each county, as determined by the technical specifications of the survey instrument chosen by DHCS. If requested, Contractor shall provide appropriate data to the EQRO to facilitate this survey.

10. Site Review

A. General Requirement

Contractor shall conduct Facility Site and Medical Record reviews on all Primary Care Provider sites in accordance with the Site Review Policy Letter, Policy Letter (PL) 14-004 and Title 22, CCR, Section 53856. Contractor shall also conduct Facility Site Physical Accessibility reviews on Primary Care Provider sites, and all Provider sites which serve a high volume of SPD beneficiaries, in accordance with the Site Review Policy Letter, PL 12-006 and W & I Code 14182(b)(9).

B. Pre-Operational Site Reviews

The number of site reviews to be completed prior to initiating plan operation in a Service Area shall be based upon the total number of new primary care sites in the Provider Network. For more than 30 sites in the Provider Network, a 5% sample size or a minimum of 30 sites, whichever is greater in number, shall be reviewed six (6) weeks prior to plan operation. Reviews shall be completed on all remaining sites within six (6) months of Plan operation. For 30 or fewer sites, reviews shall be completed on all sites six (6) weeks prior to Plan operation.

C. Credentialing Site Review

A site review is required as part of the credentialing process when both the facility and the Provider are added to the Contractor's Provider Network. If a Provider is added to Contractor's Provider Network, and the Provider site has a current passing site review survey score, a site survey need not be repeated for Provider credentialing or recredentialing.

D. Corrective Actions

Contractor shall ensure that a corrective action plan is developed to correct cited deficiencies and that corrections are completed and verified

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within the established guidelines as specified in PL 14-004, the Site Review Policy Letter. Primary Care Provider sites that do not correct cited differences are to be terminated from Contractor's Network.

E. Data Submission

Contractor shall submit the Facility Site review data to DHCS by January 31 and July 31 of each year. All data elements defined by DHCS shall be included in the data submission report.

F. Continuing Oversight

Contractor shall retain accountability for all site review activities whether carried out by Contractor, completed by other Medi-Cal Managed Care contractors or delegated to other entities.

11. Disease Surveillance

Contractor shall implement and maintain procedures for reporting any disease or condition to public health authorities as required by State law.

12. Credentialing and Recredentialing

Contractor shall implement and maintain written policies and procedures concerning the initial credentialing, recredentialing, recertification, and reappointment of Network Providers, developed by the Department in accordance with 42 CFR 438.214 and APL 16-012, and including but not limited to: Primary Care Physicians (PCP); Specialists; Providers for acute, behavioral health, and substance use disorders; and MLTSS Providers as appropriate per the requirements in Exhibit A, Attachment 21, Managed Long Term Services and Supports, Provision 4, Provider Network. Contractor shall ensure those policies and procedures are reviewed and approved by the governing body, or designee. Contractor shall ensure that the responsibility for recommendations regarding credentialing decisions will rest with a credentialing committee or other peer review body.

A. Standards

All Network Providers who deliver Covered Services and have executed contracts or participation agreements with Contractor must be qualified in accordance with current applicable legal, professional, and technical standards and appropriately licensed, certified or registered. All Network Providers must have good standing in the Medicare and Medicaid/Medi-Cal programs and a valid National Provider Identifier (NPI) number. Providers that have been terminated from either Medicare or Medicaid/Medi-Cal cannot participate in Contractor's Provider Network.

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QUALITY IMPROVEMENT SYSTEM**

Contractor shall ensure that all contracted laboratory testing sites have either a Clinical Laboratory Improvement Act (CLIA) certificate or waiver of a certificate of registration along with a CLIA identification number.

B. Delegated Credentialing

Contractor may delegate credentialing and recredentialing activities. If Contractor delegates these activities, Contractor shall comply with Provision 6, Delegation of Quality Improvement Activities, above.

C. Credentialing Provider Organization Certification

Contractor and their Subcontractors (e.g. a medical group or independent physician organization) may obtain credentialing provider organization certification (POC) from the National Committee on Quality Assurance (NCQA). Contractor may accept evidence of NCQA POC certification in lieu of a monitoring visit at delegated physician organizations.

D. Disciplinary Actions

Contractor shall implement and maintain a system for the reporting of serious quality deficiencies that result in suspension or termination of a practitioner to the appropriate authorities. Contractor shall implement and maintain policies and procedures for disciplinary actions including, reducing, suspending, or terminating a practitioner's privileges. Contractor shall implement and maintain a Provider appeal process.

E. Medi-Cal and Medicare Provider Status

Contractor will verify that their subcontracted Providers have not been terminated as Medi-Cal or Medicare Providers or have not been placed on the Suspended and Ineligible Provider List. Terminated providers in either Medicare or Medi-Cal or on the Suspended and Ineligible Provider List, cannot participate in Contractor's Provider Network.

F. Health Plan Accreditation

If Contractor has received a rating of "Excellent," "Commendable" or "Accredited" from NCQA, the Contractor shall be "deemed" to meet the DHCS requirements for credentialing and will be exempt from the DHCS medical review audit of credentialing.

Deeming of credentialing certification from other private credentialing organizations will be reviewed on an individual basis.

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G. Credentialing of Other Non-Physician Medical Practitioners

Contractor shall develop and maintain policies and procedures that ensure that the credentials of Nurse Practitioners, Certified Nurse Midwives, Clinical Nurse Specialists and Physician Assistants have been verified in accordance with State requirements applicable to the Provider category.

13. Medical Records

A. General Requirement

Contractor shall ensure that appropriate medical records for Members, pursuant to Title 28, CCR, Section 1300.80(b)(4), Title 42 United States Code (USC) Section 1396a(w), 42 CFR 456.111 and 42 CFR 456.211, shall be available to health care Providers at each encounter in accordance with Title 28, CCR Section 1300.67.1(c) and Title 22 CCR Section 53861 and PL 14-004.

B. Medical Records

Contractor shall develop, implement and maintain written procedures pertaining to any form of medical records:

- 1) For storage and filing of medical records including: collection, processing, maintenance, storage, retrieval identification, and distribution.
- 2) To ensure that medical records are protected and confidential in accordance with all Federal and State law.
- 3) For the release of information and obtaining consent for treatment.
- 4) To ensure maintenance of medical records in a legible, current, detailed, organized and comprehensive manner (records may be electronic or paper copy).

C. On-Site Medical Records

Contractor shall ensure that an individual is delegated the responsibility of securing and maintaining medical records at each site.

D. Member Medical Record

Contractor shall ensure that a complete medical record is maintained for each Member in accordance with Title 22 CCR Section 53861, that reflects all aspects of patient care, including ancillary services, and at a

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minimum includes:

- 1) Member identification on each page; personal/biographical data in the record.
- 2) Member's preferred language (if other than English) prominently noted in the record, as well as the request or refusal of language/interpretation services.
- 3) All entries dated and author identified; for Member visits, the entries shall include at a minimum, the subjective complaints, the objective findings, and the plan for diagnosis and treatment.
- 4) The record shall contain a problem list, a complete record of immunizations and health maintenance or preventive services rendered.
- 5) Allergies and adverse reactions are prominently noted in the record.
- 6) All informed consent documentation, including the human sterilization consent procedures required by Title 22 CCR Sections 51305.1 through 51305.6, if applicable.
- 7) Reports of emergency care provided (directly by the contracted Provider or through an emergency room) and the hospital discharge summaries for all hospital admissions.
- 8) Consultations, referrals, Specialists', pathology, and laboratory reports. Any abnormal results shall have an explicit notation in the record.
- 9) For medical records of adults, documentation of whether the individual has been informed and has executed an advanced directive such as a Durable Power of Attorney for Health Care.
- 10) Health education behavioral assessment and referrals to health education services.

**Exhibit A, Attachment 5
UTILIZATION MANAGEMENT**

1. Utilization Management Program

Contractor shall develop, implement, and continuously update and improve, a Utilization Management (UM) program that ensures appropriate processes are used to review and approve the provision of Medically Necessary Covered Services. Contractor is responsible to ensure that the UM program includes:

- A. Qualified staff responsible for the UM program.
- B. The separation of medical decisions from fiscal and administrative management to assure those medical decisions will not be unduly influenced by fiscal and administrative management. Compensation of staff or Subcontractors that conduct UM activities shall not be structured to provide incentives to deny, limit, or discontinue Medically Necessary services.
- C. Contractor shall ensure that the UM program allows for a second opinion from a qualified health professional at no cost to the Member.
- D. Established criteria for approving, modifying, deferring, or denying requested services. Contractor shall utilize evaluation criteria and standards to approve, modify, defer, or deny services. Contractor shall document the manner in which Providers are involved in the development and or adoption of specific criteria used by Contractor.
- E. Contractor shall communicate to health care practitioners the procedures and services that require prior authorization and ensure that all contracting health care practitioners are aware of the procedures and timeframes necessary to obtain prior authorization for these services.
- F. An established specialty referral system to track and monitor referrals requiring prior authorization through Contractor. The system shall include authorized, denied, deferred, or modified referrals, and the timeliness of the referrals. This specialty referral system should include non-contracting Providers.

Contractor shall ensure that all contracting health care practitioners are aware of the referral processes and tracking procedures.

- G. The integration of UM activities into the Quality Improvement System (QIS), including a process to integrate reports on review of the number and types of Appeals, denials, deferrals, and modifications to the appropriate QIS staff.
- H. Contractor shall ensure its UM program timelines and processes do not impose Quantitative Treatment Limitations (QTL), or Non-Quantitative Treatment Limitations (NQTL) more stringently on covered mental health and substance use disorder services than are imposed on

**Exhibit A, Attachment 5
UTILIZATION MANAGEMENT**

medical/surgical services in accordance with the parity in mental health and substance use disorder requirements in 42 CFR 438.900 et seq., to its timelines and processes.

- I. Contractor shall make its UM or utilization review policies and procedures available to Members and Providers. These policies and procedures shall cover how Contractor, Subcontractors, or any contracted entity, authorize, modify, delay, or deny health care services via Prior Authorization, concurrent authorization, or retrospective authorization, under the benefits provided by Contractor.
 - 1) Contractor shall ensure that policies and procedures for authorization decisions are based on the Medical Necessity of a requested health care service, and are consistent with criteria or guidelines supported by sound clinical principles.
 - 2) Contractor shall ensure the policies, processes, strategies, evidentiary standards, and other factors used for UM or utilization review are consistently applied to medical/surgical, mental health, and substance use disorder services and benefits.
 - 3) Contractor shall notify contracting health care Providers, as well as Members and Potential Enrollees upon request, of all services that require Prior Authorization, concurrent authorization, or retrospective authorization, and ensure that all contracting health care Providers are aware of the procedures and timeframes necessary to obtain authorization for these services

These activities shall be done in accordance with Health and Safety Code Sections 1363.5 and 1367.01 and Title 28, CCR, Section 1300.70(b)(2)(H) & (c).

2. Prior Authorizations and Review Procedures

Contractor shall ensure that its Prior Authorization, concurrent review, and retrospective review procedures meet the following minimum requirements:

- A. Consult with the requesting Provider for medical services, when appropriate.
- B. Decisions to deny or to authorize an amount, duration, or scope that is less than requested shall be made by a qualified health care professional with appropriate clinical expertise in treating the medical or behavioral health condition and disease or MLTSS needs. Appropriate clinical expertise may be demonstrated by appropriate specialty training, experience or certification by the American Board of Medical Specialties. Qualified health care professionals do not have to be an expert in all conditions and may use other resources to make appropriate decisions.

**Exhibit A, Attachment 5
UTILIZATION MANAGEMENT**

- C. Qualified health care professionals supervise review decisions, including service reductions, and a qualified physician will review all denials that are made, whole or in part, on the basis of Medical Necessity. For purposes of this provision, a qualified physician or Contractor's pharmacist may approve, defer, modify, or deny Prior Authorization for pharmaceutical services, provided that such determinations are made under the auspices of and pursuant to criteria established by Contractor's medical director, in collaboration with Contractor's Pharmacy and Therapeutics Committee (PTC) or its equivalent.
- D. There is a set of written criteria or guidelines for utilization review that is based on sound medical evidence, is consistently applied, regularly reviewed, and updated.
- E. Reasons for decisions are clearly documented.
- F. Notification to Members regarding denied, deferred or modified referrals is made as specified in Exhibit A, Attachment 13, Member Services, Provision 8, Denial, Deferral, or Modification of Prior Authorization Requests. There shall be a well-publicized Appeals procedure for both Providers and patients.
- G. Decisions and Appeals are made in a timely manner and are not unduly delayed for medical conditions requiring time sensitive services.
- H. Prior Authorization requirements shall not be applied to emergency services, family planning services, preventive services, basic prenatal care, sexually transmitted disease services, and HIV testing.
- I. Records, including any Notice of Action (NOA), shall meet the retention requirements described in Exhibit E, Attachment 2, Provision 19, Audit.
- J. Contractor must notify the requesting Provider of any decision to deny, approve, modify, or delay a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. The notice to the Provider may be orally or in writing.
- K. All of Contractor's authorization requirements shall comply with the requirements for parity in mental health and substance use disorder benefits in 42 CFR 438.910.

3. Timeframes for Medical Authorization

- A. Emergency Care: No Prior Authorization required, following the

**Exhibit A, Attachment 5
UTILIZATION MANAGEMENT**

reasonable person standard to determine that the presenting complaint might be an emergency.

- B. Post-stabilization: Response to request within 30 minutes or the service is deemed approved in accordance with Title 22 CCR Section 53855 (a), or any future amendments thereto.
- C. Non-urgent care following an exam in the emergency room: Response to request within 30 minutes or deemed approved.
- D. Concurrent review of authorization for treatment regimen already in place: Within five (5) working days or less, consistent with urgency of the Member's medical condition and in accordance with Health and Safety Code Section 1367.01(h)(3), or any future amendments thereto.
- E. Retrospective review: Within 30 calendar days in accordance with Health and Safety Code Section 1367.01(h)(1), or any future amendments thereto.
- F. Pharmaceuticals: For all covered outpatient drug Prior Authorization requests, provide notice by telephone, fax, email or other electronic communication within 24 hours of receipt of the request, and in emergency situations dispense at least a 72-hour supply of the covered outpatient drug, in accordance with Welfare and Institutions Code, Section 14185, 42 CFR 438.3(s)(6), and Section 1927(d)(5)(A) of the Social Security Act or any respective future amendments thereto.
- G. Routine authorizations: As expeditiously as the Member's condition requires but within five (5) working days from receipt of the information reasonably necessary to render a decision (these are requests for specialty service, cost control purposes, out-of-Network not otherwise exempt from Prior Authorization) in accordance with Health and Safety Code, Section 1367.01, or any future amendments thereto, but, no longer than 14 calendar days from the receipt of the request. The decision may be deferred and the time limit extended an additional 14 calendar days only where the Member or the Member's Provider requests an extension, or the Contractor can provide justification upon request by the State for the need for additional information and how it is in the Member's interest. Any decision delayed beyond the time limits is considered a denial and must be immediately processed as such.
- H. Expedited Authorizations: For requests in which a Provider indicates, or Contractor or a Subcontractor determines that, following the standard timeframe for Prior Authorizations could seriously jeopardize the Member's life or health or ability to attain, maintain, or regain maximum function, the Contractor must make an expedited authorization decision and provide notice as expeditiously as the Member's health condition requires and not

**Exhibit A, Attachment 5
UTILIZATION MANAGEMENT**

later than 72 hours after receipt of the request for services. The Contractor may extend the 72 hours' time period by up to 14 calendar days if the Member requests an extension, or if the Contractor justifies, to the satisfaction of DHCS upon request, a need for additional information and how the extension is in the Member's interest. Any decision delayed beyond the time limits is considered a denial and must be immediately processed as such.

- I. Hospice inpatient care: 24-hour response.
- J. Therapeutic Enteral Formula for Medical Conditions in Infants and Children: Timeframes for medical authorization of Medically Necessary therapeutic enteral formulas for infants and children and the equipment/and supplies necessary for delivery of these special foods are set forth in PL 14-003, Welfare and Institutions Code Section 14103.6 and Health and Safety Code Section 1367.01.

4. Review of Utilization Data

Contractor shall include within the UM program mechanisms to detect both under- and over-utilization of health care services. Contractor's internal reporting mechanisms used to detect Member utilization patterns shall be reported to DHCS upon request.

5. Delegating UM Activities

Contractor may delegate UM activities. If Contractor delegates these activities, Contractor shall comply with Exhibit A, Attachment 4, Provision 6. Delegation of Quality Improvement Activities.

**Exhibit A, Attachment 6
PROVIDER NETWORK****1. Network Capacity**

Contractor shall maintain a Provider Network adequate to serve sixty percent (60%) of all Eligible Beneficiaries, including SPD beneficiaries within Contractor's Service Area and provide the full scope of benefits. Contractor will increase the capacity of the Network as necessary to accommodate enrollment growth beyond the sixty percent (60%). However, after the first 12 months of operation, if Enrollments do not achieve seventy-five percent (75%) of the required Network capacity, the Contractor's total Network capacity requirement may be renegotiated.

2. Network Composition

Within each Service Area, Contractor shall ensure and monitor an appropriate Provider Network, including adult and pediatric PCPs, OB/GYN, adult and pediatric behavioral health Providers, adult and pediatric Specialists, professional, Allied Health Personnel, supportive paramedical personnel, hospitals, pharmacies and an adequate number of accessible inpatient facilities and service sites. In addition, Contractor shall ensure and monitor MLTSS Providers, American Indian Health Service Programs, Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Freestanding Birthing Centers (FBCs), where available.

3. Provider to Member Ratios

A. Contractor shall ensure that its Network continuously satisfies the following full-time equivalent Network Provider to Member ratios:

1)	Primary Care Physicians	1:2,000
2)	Total Physicians	1:1,200

B. If Non-Physician Medical Practitioners are included in Contractor's Provider Network, each individual Non-Physician Medical Practitioner shall not exceed a full-time equivalent Network Provider/patient caseload of one (1) Network Provider per 1,000 patients.

4. Physician Supervisor to Non-Physician Medical Practitioner Ratios

Contractor shall ensure compliance with Title 22 CCR Section 51241, and that full-time equivalent Physician Supervisor to Non-Physician Medical Practitioner ratios do not exceed the following:

A.	Nurse Practitioners	1:4
B.	Physician Assistants	1:4

**Exhibit A, Attachment 6
PROVIDER NETWORK**

- C. Four (4) Non-Physician Medical Practitioners in any combination that does not include more than three (3) Certified Nurse Midwives or two (2) Physician Assistants.

5. Emergency Services

Contractor shall have, as a minimum, a designated emergency service facility, providing care on a 24 hours a day, 7 day a week basis. This designated emergency service facility will have one or more physicians and one nurse on duty in the facility at all times.

6. Specialists

Contractor shall maintain adequate numbers and types of Specialists within their Network to accommodate the need for specialty care in accordance with Title 22 CCR Section 53853(a) and W & I Code section 14182(c)(2).

7. Federally Qualified Health Center (FQHC), Rural Health Clinic (RHC), and Freestanding Birth Center (FBC) Services

Contractor shall meet federal requirements for access to FQHC, RHC, and FBC services as a mandatory service and benefit, including those in 42 USC Section 1396 b(m). Contractor must include at least one (1) FQHC, one (1) RHC, and one (1) FBC in the Provider Network within Contractor's Service Area, to the extent that the FQHC, RHC and FBC Providers are licensed and recognized under State law and they are available within Contractor's Service Area. Contractor shall reimburse FQHCs, RHCs, and FBCs in accordance with Exhibit A, Attachment 8, Provider Compensation Arrangements, Provision 7. If FQHC, RHC, or FBC services are not available in the Provider Network, Contractor shall reimburse FQHCs, RHCs, and FBCs for services provided out-of-Network to Contractor's Members at a rate determined by DHCS. If FQHC, RHC, or FBC services are not available in Contractor's Provider Network, but are available within DHCS' time and distance standards for access to Primary Care for Contractor's Members in the Service Area, Contractor shall not be obligated to reimburse FQHCs, RHCs, or FBCs for services provided out-of-Network to Members, unless authorized by Contractor.

8. Time and Distance Standard

Contractor shall maintain a Network of PCPs which are located within 30 minutes or 10 miles of a Member's residence unless Contractor has a DHCS-approved alternative time and distance standard.

9. Plan Physician Availability

**Exhibit A, Attachment 6
PROVIDER NETWORK**

Contractor shall have a plan or contracting physician available 24 hours per day, seven (7) days per week to coordinate the transfer of care of a Member whose emergency condition is stabilized, to authorize Medically Necessary post-stabilization services, and for general communication with emergency room personnel.

10. Network Provider Availability

Contractor shall ensure that Network Providers offer hours of operation to Members that are no less than the hours of operation offered to other patients, or to Medi-Cal FFS beneficiaries, if the Network Provider serves only Medi-Cal beneficiaries.

11. Provider Network Report

Contractor shall submit to DHCS, in a format specified by DHCS, a report summarizing changes in the Provider Network.

- A. The report shall be submitted at a minimum:
 - 1) Quarterly
 - 2) At the time of a significant change to the Network affecting Provider capacity and services, including:
 - a) Change in services or benefits;
 - b) Geographic service area or payments; or
 - c) Enrollment of a new population.
- B. The report shall identify number of Primary Care Providers, Provider deletions and additions, and the resulting impact to:
 - 1) Geographic access for the Members;
 - 2) Cultural and linguistic services including Provider and Provider staff language capability;
 - 3) The percentage of Traditional and Safety-Net Providers;
 - 4) The number of Members assigned to each Primary Care Physician;
 - 5) The percentage of Members assigned to Traditional and Safety-Net Providers; and
 - 6) The Network Providers who are not accepting new patients.
- C. Contractor shall submit the report 30 calendar days following the end of

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PROVIDER NETWORK**

the reporting quarter.

12. Plan Subcontractors

Contractor shall submit to DHCS, a quarterly report containing the names of all direct subcontracting provider groups including health maintenance organizations, independent physician associations, medical groups, and FQHCs and their subcontracting health maintenance organizations, independent physician associations, medical groups, and FQHCs. The report must be sorted by Subcontractor type, indicating the county or counties in which Members are served. In addition, the report should also indicate where relationships or affiliations exist between direct and indirect Subcontractors. The report shall be submitted within 30 calendar days following the end of the reporting quarter.

13. Ethnic and Cultural Composition

Contractor shall ensure that the composition of Contractor's Provider Network meets the ethnic, cultural, and linguistic needs of Contractor's Members on a continuous basis.

14. Subcontracts

Contractor may enter into Subcontracts with other entities in order to fulfill the obligations of the Contract. Contractor shall maintain policies and procedures, approved by DHCS, to ensure that Subcontractors fully comply with all terms and conditions of this Contract. Contractor shall evaluate the prospective Subcontractor's ability to perform the subcontracted services, shall oversee and remain responsible and accountable for any functions and responsibilities delegated and shall meet the subcontracting requirements as stated in 42 CFR 438.230(b)(1), (c)(1)(i)-(iii), (c)(2), (c)(3), Title 22 CCR Section 53867, APL 17-004, and this Contract.

A. Laws and Regulations

All Subcontracts shall be in writing and in accordance with the requirements of the 42 CFR 438.230(c)(1)(i)-(iii), Knox-Keene Health Care Services Plan Act of 1975, Health and Safety Code Section 1340 et seq.; Title 28, Section 1300 et seq.; Welfare and Institutions Code Section 14200 et seq.; Title 22 CCR Section 53800 et seq.; and other applicable federal and State laws and regulations.

B. Subcontract Requirements

Each Subcontract as defined in Exhibit E, Attachment 1, shall contain:

**Exhibit A, Attachment 6
PROVIDER NETWORK**

- 1) Specification of the services to be provided by the Subcontractor.
- 2) Specification that the Subcontract shall be governed by and construed in accordance with all laws and applicable regulations governing this Contract.
- 3) Specification that the Subcontract or Subcontract amendments shall become effective only as set forth in Paragraph C.
Departmental Approval – Non-Federally Qualified HMOs, or
Paragraph D, Departmental Approval – Federally Qualified HMOs.
- 4) Specification of the term of the Subcontract, including the beginning and ending dates as well as methods of extension, renegotiation and termination.
- 5) Language comparable to Exhibit A, Attachment 8, Provision 13. Contracting & Non-Contracting Emergency Service Providers & Post-Stabilization, for those Subcontractors at risk for non-contracting emergency services.
- 6) Subcontractor's agreement to submit reports as required by Contractor.
- 7) Specification that the Subcontractor shall comply with all monitoring provisions of this Contract and any monitoring requests by DHCS.
- 8) Subcontractor's agreement to make all of its premises, facilities, equipment, books, records, contracts, computer and other electronic systems pertaining to the goods and services furnished under the terms of the Subcontract, available for the purpose of an audit, inspection, evaluation, examination or copying, including but not limited to Access Requirements and State's Right to Monitor, as set forth in Exhibit E, Attachment 2, Provision 20. Inspection Rights:
 - a) By DHCS, CMS, Department of Health and Human Services (DHHS) Inspector General, the Comptroller General, Department of Justice (DOJ), DMHC, or their designees.
 - b) At all reasonable times at the Subcontractor's place of business or at such other mutually agreeable location in California.
 - c) In a form maintained in accordance with the general standards applicable to such book or record keeping.
 - d) For a term of at least 10 years from the final date of the Contract period or from the date of completion of any audit,

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whichever is later.

- e) Including all Encounter Data for a period of at least 10 years.
 - f) If DHCS, CMS, or the DHHS Inspector General determines there is a reasonable possibility of fraud or similar risk, DHCS, CMS, or the DHHS Inspector General may inspect, evaluate, and audit the Subcontractor at any time.
 - g) Upon resolution of a full investigation of fraud, DHCS reserves the right to suspend or terminate the Subcontractor from participation in the Medi-Cal program; seek recovery of payments made to the Subcontractor; impose other sanctions provided under the State Plan, and direct Contractor to terminate their Subcontract due to fraud.
- 9) Full disclosure of the method and amount of compensation or other consideration to be received by the Subcontractor from Contractor.
- 10) Subcontractor's agreement to maintain and make available to DHCS, upon request, copies of all sub-subcontracts and to ensure that all sub-subcontracts are in writing and require that the Subcontractor:
- a) Make all premises, facilities, equipment, applicable books, records, contracts, computer, or other electronic systems related to this Contract, available at all reasonable times for audit, inspection, examination, or copying by DHCS, CMS, or the DHHS Inspector General, the Comptroller General, DOJ, and DMHC, or their designees.
 - b) Retain all records and documents for a minimum of 10 years from the final date of the Contract period or from the date of completion of any audit, whichever is later.
- 11) Subcontractor's agreement to assist Contractor in the transfer of care pursuant to Exhibit E, Attachment 2, Provision 15. Phase out Requirements, Subparagraph B in the event of Contract termination.
- 12) Subcontractor's agreement to assist Contractor in the transfer of care in the event of sub-subcontract termination for any reason.
- 13) Subcontractor's agreement to notify DHCS in the event the agreement with Contractor is amended or terminated. Notice is considered given when properly addressed and deposited in the

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PROVIDER NETWORK**

United States Postal Service as first-class registered mail, postage attached.

- 14) Subcontractor's agreement that assignment or delegation of the Subcontract will be void unless prior written approval is obtained from DHCS.
- 15) Subcontractor's agreement to hold harmless both the State and Members in the event Contractor cannot or will not pay for services performed by the Subcontractor pursuant to the Subcontract.
- 16) Subcontractor's agreement to timely gather, preserve and provide to DHCS, any records in the Subcontractor's possession, in accordance with Exhibit E, Attachment 2, Provision 25. Records Related to Recovery for Litigation.
- 17) Subcontractor's agreement to provide interpreter services for Members at all Provider sites.
- 18) Subcontractor's right to submit a grievance and Contractor's formal process to resolve Provider Grievances.
- 19) Subcontractor's agreement to participate and cooperate in Contractor's Quality Improvement System.
- 20) If Contractor delegates Quality Improvement activities, Subcontract shall include those provisions stipulated in Exhibit A, Attachment 4, Provision 6. Delegation of Quality Improvement Activities.
- 21) Subcontractor's agreement to comply with all applicable requirements of the DHCS, Medi-Cal Managed Care Program.
- 22) Subcontractor's agreement to revoke the delegation of activities or obligations, or specify other remedies in instances where DHCS or Contractor determine that the Subcontractor has not performed satisfactorily.
- 23) To the extent that the Subcontractor is responsible for the coordination of care for Members, Contractor's agreement to share with the Subcontractor any utilization data that DHCS has provided to Contractor, and the Subcontractor's agreement to receive the utilization data provided and use as they are able for the purpose of Member care coordination.
- 24) Contractor's agreement to inform the Subcontractor of prospective requirements added by DHCS to this Contract before the requirement would be effective, and Subcontractor's agreement to

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PROVIDER NETWORK**

comply with the new requirements within 30 days of the effective date, unless otherwise instructed by DHCS and to the extent possible.

C. Departmental Approval - Non-Federally Qualified HMOs

- 1) Except as provided in Exhibit A, Attachment 8, Provider Compensation Arrangements, Provision 7 regarding Federally Qualified Health Centers and Rural Health Clinics, a Provider or management Subcontract entered into by Contractor which is not a federally qualified HMO shall become effective upon approval by DHCS in writing, or by operation of law where DHCS has acknowledged receipt of the proposed Subcontract, and has failed to approve or disapprove the proposed Subcontract within 60 calendar days of receipt. Within five (5) working days of receipt, DHCS shall acknowledge in writing the receipt of any material sent to DHCS by Contractor for approval.
- 2) Subcontract amendments shall be submitted to DHCS for prior approval at least 30 calendar days before the effective date of any proposed changes governing compensation, services, or term. Proposed changes which are neither approved or disapproved by DHCS, shall become effective by operation of law 30 calendar days after DHCS has acknowledged receipt or upon the date specified in the Subcontract amendment, whichever is later.

D. Departmental Approval - Federally Qualified HMOs

Except as provided in Exhibit A, Attachment 8, Provider Compensation Arrangements, Provision 7 regarding Federally Qualified Health Centers and Rural Health Clinics, Subcontracts entered into by Contractor which is a federally qualified HMO shall be:

- 1) Exempt from prior approval by DHCS.
- 2) Submitted to DHCS upon request.

E. Public Records

Subcontracts entered into by the Contractor and all information received in accordance with the Subcontract will be public records on file with DHCS, except as specifically exempted in statute. DHCS shall ensure the confidentiality of information and contractual provisions filed with DHCS which are specifically exempted by statute from disclosure, in accordance with the statutes providing the exemption. The names of the officers and

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PROVIDER NETWORK**

owners of the Subcontractor, stockholders owning more than five (5) percent of the stock issued by the Subcontractor and major creditors holding more than five (5) percent of the debt of the Subcontractor will be attached to the Subcontract at the time the Subcontract is presented to DHCS.

15. Subcontracts with Federally Qualified Health Centers and Rural Health Clinics (FQHC/RHC)

Subcontracts with FQHCs shall also meet Subcontract requirements of Provision 13 above and reimbursement requirements in Exhibit A, Attachment 8, Provision 7. In Subcontracts with FQHCs and RHCs where a negotiated reimbursement rate is agreed to as total payment, a provision that such rate constitutes total payment shall be included in the Subcontract.

16. Traditional and Safety-Net Providers Participation

Contractor shall establish participation standards pursuant to Title 22 CCR Section 53800(b)(2)(C)(1) to ensure participation and broad representation of Traditional and Safety-Net Providers within a Service Area. Contractor shall maintain the percentage of Traditional and Safety-Net Provider within a Service Area submitted and approved by DHCS. Federally Qualified Health Centers meet the definitions of both Traditional and Safety-Net Providers.

17. Safety-Net Providers Subcontracts

Contractor shall offer a Subcontract to any Safety-Net Provider that agrees to provide its scope of services in accord with the same terms and conditions that the Contractor requires of other similar Providers.

18. Termination of Safety-Net Provider Subcontract

Contractor shall notify DHCS of intent to terminate a Subcontract with a Safety-Net Provider at least 30 calendar days prior to the effective date of termination unless such provider's license has been revoked or suspended or where the health and welfare of a Member is threatened, in which event termination shall be effective immediately, without DHCS prior approval, and Contractor shall notify DHCS concurrently with the termination.

19. Nondiscrimination in Provider Contracts

Contractor shall not discriminate for the participation, reimbursement, or indemnification of any Provider who is acting within the scope of practice of his or her license or certification under applicable State law, solely on the basis of that license or certification. If Contractor declines to include individual or groups of Providers in its Network, it must give the affected Providers written notice of the reason for its decision. Contractor's Provider selection policies must not

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PROVIDER NETWORK**

discriminate against Providers that serve high-risk populations or specialize in conditions requiring costly treatment. This section shall not be construed to require Contractor to contract with Providers beyond the number necessary to meet the needs of Contractor's Members; preclude Contractor from using different reimbursement amounts for different specialties or for different practitioners in the same specialty; or preclude Contractor from establishing measures that are designed to maintain quality of services and control costs and is consistent with Contractor's responsibilities to Members.

**Exhibit A, Attachment 7
PROVIDER RELATIONS**

1. Exclusivity

Contractor shall not, by use of an exclusivity provision, clause, agreement, or in any other manner, prohibit any Subcontractor from providing services to Medi-Cal beneficiaries who are not Members of the Contractor's plan. This prohibition is not applicable to contracts entered into between Contractor and Knox-Keene licensed health care service plans.

2. Provider Grievance

Contractor shall have a formal procedure to accept, acknowledge, and resolve Provider grievances. A Provider of medical services may submit to Contractor a grievance concerning the authorization or denial of a service; denial, deferral or modification of a prior authorization request on behalf of a Member; or the processing of a payment or non-payment of a claim by the Contractor. This process shall be communicated to contracting, subcontracting, and non-contracting Providers.

3. Non-Contracting, Non-Emergency Provider Communication

Contractor shall develop and maintain protocols for payment of claims, and communicating and interacting with non-contracting, non-emergency Providers.

4. Contractor's Provider Manual

Contractor shall issue a provider manual to the contracting and subcontracting Providers of health care services that includes information and updates regarding Medi-Cal services, policies and procedures, statutes, regulations, telephone access, special requirements, and the Member Grievance, Appeal, and State Fair Hearing process. Contractor's provider manual shall include the following Member rights information:

- A. Member's right to a State Fair Hearing, how to obtain a Hearing, and representation rules at a Hearing;
- B. Member's right to file Grievances and Appeals and their requirements and timeframes for filing;
- C. Availability of assistance in filing;
- D. Toll-free numbers to file oral Grievances and Appeals; and
- E. Member's right to request continuation of benefits during an Appeal or State Fair Hearing.

5. Network Provider Training

**Exhibit A, Attachment 7
PROVIDER RELATIONS**

- A. Contractor shall ensure that all Network Providers receive training regarding the Medi-Cal Managed Care program in order to operate in full compliance with the Contract and all applicable federal and State statutes and regulations. Contractor shall ensure that Network Provider training relates to Medi-Cal Managed Care services, policies, procedures and any modifications to existing services, policies or procedures. Training shall include methods for sharing information between Contractor, Network Provider, Member and/or other healthcare professionals. Contractor shall conduct training for all Network Providers within ten (10) working days after Contractor places a newly contracted Network Provider on active status. Contractor shall ensure that Network Provider training includes information on all Member rights specified in Exhibit A, Attachment 13, Member Services, including the right to full disclosure of health care information and the right to actively participate in health care decisions. Contractor shall ensure that ongoing training is conducted when deemed necessary by either Contractor or the State.
- B. Contractor shall develop and implement a process to provide information to Network Providers and to train providers on a continuing basis regarding clinical protocols, evidenced-based practice guidelines and DHCS-developed cultural awareness and sensitivity instruction for Seniors and Persons with Disabilities or chronic conditions. This process shall include an educational program for Network Providers regarding health needs specific to this population that utilizes a variety of educational strategies, including but not limited to, posting information on websites as well as other methods of educational outreach to Network Providers.
- C. For Out-of-Network Providers who will not receive Network Provider training, Contractor shall develop and implement a process to provide them with Contractor's clinical protocols and evidence-based practice guidelines. Contractor shall arrange to provide these protocols and guidelines at the time that Contractor enters into an agreement with an Out-of-Network Provider.

6. Submittal of Inpatient Days Information

Upon DHCS' written request, Contractor shall report hospital inpatient days to DHCS as required by Welfare and Institutions Code, Section 14105.985(b)(2) for the time period and in the form and manner specified in DHCS' request, within 30 calendar days of receipt of the request. Contractor shall submit additional reports to DHCS, as requested, for the administration of the Disproportionate Share Hospital program.

7. Emergency Department Protocols

**Exhibit A, Attachment 7
PROVIDER RELATIONS**

Contractor shall develop and maintain protocols for communicating and interacting with emergency departments. Protocols shall be distributed to all emergency departments in the contracted Service Area and shall include at a minimum the following:

- A. Description of telephone access to triage and advice systems used by the Contractor.
- B. Contractor's contact person responsible for coordinating services and who can be contacted 24 hours a day.
- C. Written referral procedures (including after-hours instruction) that emergency department personnel can provide to Medi-Cal Members who present at the emergency department for non-emergency services.
- D. Procedures for emergency departments to report system and/or protocol failures and process for ensuring corrective action.

8. Prohibited Punitive Action Against the Provider

Contractor must ensure that punitive action is not taken against the Provider who either requests an expedited resolution or supports a Member's Appeal. Further, Contractor may not prohibit, or otherwise restrict, a health care professional acting within the lawful scope of practice, from advising or advocating on behalf of a Member who is his or her patient: for the Member's health status, medical care, or treatment options, including any alternative treatment that may be self-administered, for any information the Member needs in order to decide among all relevant treatment options, for the risks, benefits, and consequences of treatment or non-treatment, for the Member's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions.

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1. Compensation

Contractor may compensate Providers as Contractor and Provider negotiate and agree. Unless DHCS objects, compensation may be determined by a percentage of the Contractor's payment from DHCS. This provision will not be construed to prohibit Subcontracts in which compensation or other consideration is determined to be on a capitation basis.

2. Capitation Payments

Capitation payments by a Contractor to a Primary Care Provider or clinic contracting with the Contractor on a capitation basis shall be payable effective the date of the Member's enrollment where the Member's assignment to or selection of a Primary Care Provider or clinic has been confirmed by the Contractor. However, capitation payments by a Contractor to a Primary Care Provider or clinic for a Member whose assignment to or selection of a Primary Care Provider or clinic was not confirmed by the Contractor on the date of the beneficiary's enrollment, but is later confirmed by the Contractor, shall be payable no later than 30 calendar days after the Member's enrollment.

3. Physician Incentive Plan Requirements

Contractor may implement and maintain a Physician Incentive Plan only if:

- A. No specific payment is made directly or indirectly under the incentive plan to a physician or physician group as an inducement to reduce or limit Medically Necessary Covered Services provided to an individual Member; and
- B. The stop-loss protection (reinsurance), beneficiary survey, and disclosure requirements of 42 CFR 417.479, 42 CFR 422.208 and 42 CFR 422.210 are met by Contractor.

4. Identification of Responsible Payor

Contractor shall provide the information that identifies the payor responsible for reimbursement of services provided to a Member enrolled in Contractor's Medi-Cal Managed Care health plan to DHCS' Fiscal Intermediary (FI) contractor. Contractor shall identify the Subcontractor (if applicable) or Independent Physician Association (IPA) responsible for payment, and the Primary Care Provider name and telephone number responsible for providing care. Contractor shall provide this information in a manner prescribed by DHCS once DHCS and the FI contractor have implemented the enhancement to the California Automated Eligibility Verification and Claims Management System (CA-AEV/CMS).

5. Claims Processing

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Contractor shall pay all claims submitted by contracting Providers in accordance with this section, unless the contracting Provider and Contractor have agreed in writing to an alternate payment schedule.

- A. Contractor shall comply with Section 1932(f), Title XIX, Social Security Act (42 U.S.C. Section 1396u-2(f), and Health and Safety Code Sections 1371 through 1371.36. Contractor shall be subject to any remedies, including interest payments provided for in these sections, if it fails to meet the standards specified in these sections.
- B. Contractor shall pay 90% of all clean claims from practitioners who are in individual or group practices or who practice in shared health facilities, within 30 days of the date of receipt and 99% of all clean claims within 90 days. The date of receipt shall be the date Contractor receives the claim, as indicated by its date stamp on the claim. The date of payment shall be the date of the check or other form of payment.
- C. Contractor shall maintain procedures for prepayment and post payment claims review, including review of data related to Provider, Member and Covered Services for which payment is claimed.
- D. Contractor shall maintain sufficient claims processing/tracking/payment systems capability to: comply with applicable State and federal law, regulations and Contract requirements, determine the status of received claims, and calculate the estimate for incurred and unreported claims, as specified by Title 28, CCR, Sections 1300.77.1 and 1300.77.2.
- E. Contractor shall submit claims payment summary reports to DHCS on a quarterly basis as specified in Exhibit A, Attachment 2, Provision 2, Paragraph B.3).

6. Prohibited Claims

- A. Except in specified circumstances, Contractor and any of its Affiliates and Subcontractors shall not submit a claim or demand, or otherwise collect reimbursement for any services provided under this Contract to a Medi-Cal Member. Collection of claim may be made under those circumstances described in Title 22 CCR Sections 53866, 53220, and 53222.
- B. Contractor shall not hold Members liable for Contractor's debt if Contractor becomes insolvent. In the event Contractor becomes insolvent, Contractor shall cover continuation of services to Members for the duration of the period for which payment has been made, as well as for inpatient admissions up until discharge.

7. Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and

**Exhibit A, Attachment 8
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American Indian Health Service Programs.

A. FQHCs Availability and Reimbursement Requirement

If FQHC services are not available in the Provider Network of any Medi-Cal Managed Care Health Plan in the county, Contractor shall reimburse non-contracting FQHCs for services provided to Contractor's Members at a level and amount of payment that is not less than the Contractor makes for the same scope of services furnished by a Provider that is not a FQHC or RHC. If FQHC services are not available in Contractor's Provider Network, but are available within DHCS' time and distance standards for access to Primary Care for Contractor's Members within the Provider Network in the county, Contractor shall not be obligated to reimburse non-contracting FQHCs for services provided to Contractor's Members (unless authorized by Contractor).

B. Federally Qualified Health Centers/Rural Health Clinics (FQHC/RHC)

Contractor shall submit to DHCS, within 30 calendar days of a request and in the form and manner specified by DHCS, the services provided and the reimbursement level and amount for each of Contractor's FQHC and RHC Subcontracts. Contractor shall certify in writing to DHCS within 30 calendar days of DHCS' written request that, pursuant to Welfare and Institutions Code Section 14087.325(b) and (d), as amended by Chapter 894, Statutes of 1998, FQHC and RHC Subcontract terms and conditions are the same as offered to other Subcontractors providing a similar scope of service and that reimbursement is not less than the level and amount of payment that Contractor makes for the same scope of services furnished by a Provider that is not a FQHC or RHC. Contractor is not required to pay FQHCs and RHCs the Medi-Cal per visit rate for that facility. At its discretion, DHCS reserves the right to review and audit Contractor's FQHC and RHC reimbursement to ensure compliance with State and federal law and shall approve all FQHC and RHC Subcontracts consistent with the provisions of Welfare and Institutions Code, Section 14087.325(h).

To the extent that American Indian Health Service Programs qualify as FQHCs or RHCs, the above reimbursement requirements shall apply to Subcontracts with American Indian Health Service Programs. Contractor must also pay an amount equal to what Contractor would pay a subcontracted FQHC or RHC and DHCS must pay any supplemental payment, pursuant to 42 CFR 438.14(c), to an American Indian Health Service Program that qualifies as a FQHC or RHC but is not a subcontracted Provider.

C. American Indian Health Service Programs

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- 1) Contractor shall attempt to contract with each American Indian Health Service Program as set forth in Title 22 CCR Sections 55120-55180. Contractor shall reimburse American Indian Health Service Programs at the applicable Fee-For-Service Medi-Cal rate for services provided prior to January 1, 2018 to Members who are qualified to receive services from an American Indian Health Service Program as set forth in 42 USC Section 1396u-2(h)(2), and Section 5006 of Title V of the American Recovery and Reinvestment Act of 2009. Contractor shall reimburse an American Indian Health Service Program that qualifies as a FQHC but is not a subcontracted Provider as set forth in 42 CFR 438.14(c)(1).
- 2) For services provided on or after January 1, 2018 to Members who are qualified to receive services from an American Indian Health Service Program as set forth under Supplement 6, Attachment 4.19-B, of the California Medicaid State Plan, regardless of whether the American Indian Health Service Program is a Network Provider:
 - a) Contractor shall reimburse American Indian Health Service Programs at the most current and applicable outpatient per-visit rate published in the Federal Register by the Indian Health Service and in accordance with APL 17-020. Contractor shall adjust any payments to American Indian Health Service Programs if necessary to comply with any retroactive changes to the outpatient per-visit rates published in the Federal Register by the Indian Health Service.
 - b) Contractor shall reimburse American Indian Health Service Programs at the Medi-Cal FFS rate for services that, in accordance Supplement 6, Attachment 4.19-B of the California Medicaid State Plan, are not eligible for the outpatient per-visit rate published in the Federal Register by the Indian Health Service.

8. Non-Contracting Certified Nurse Midwife (CNM) and Certified Nurse Practitioner (CNP) Reimbursement

If there are no CNMs or CNPs in Contractor's Provider Network, Contractor shall reimburse non-contracting CNMs or CNPs for services provided to Members at no less than the applicable Medi-Cal FFS rates. If an appropriately licensed non-contracting facility is used, Contractor shall pay the facility fee. For hospitals, the requirements of Provision 13, Paragraph C. below apply. For birthing centers, the Contractor shall reimburse no less than the applicable Medi-Cal FFS rate.

9. Non-Contracting Family Planning Providers' Reimbursement

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Contractor shall reimburse non-contracting family planning Providers at no less than the appropriate Medi-Cal FFS rate. Contractor shall reimburse non-contracting family planning Providers for services listed in Exhibit A, Attachment 9, Provision 9, Access to Services with Special Arrangements, provided to Members of childbearing age to temporarily or permanently prevent or delay pregnancy.

10. Sexually Transmitted Disease (STD)

Contractor shall reimburse local health departments and non-contracting family planning Providers at no less than the appropriate Medi-Cal FFS rate, for the diagnosis and treatment of a STD episode, as defined in PL 96-09. Contractor shall provide reimbursement only if STD treatment Providers provide treatment records or documentation of the Member's refusal to release medical records to Contractor along with billing information.

11. HIV Testing and Counseling

Contractor shall reimburse local health departments and non-contracting family planning Providers at no less than the Medi-Cal FFS rate for HIV testing and counseling. Contractor shall provide reimbursement only if local health departments and non-contracting family planning Providers make all reasonable efforts, consistent with current laws and regulations, to report confidential test results to the Contractor.

12. Immunizations

Contractor shall reimburse local health departments for the administration fee for immunizations given to Members. However, Contractor is not required to reimburse the local health department for an immunization provided to a Member who was already up to date. The local health department shall provide immunization records when immunization services are billed to the Contractor. Contractor shall not be obligated to reimburse Providers other than local health departments unless they enter into an agreement with the Contractor.

13. Contracting & Non-Contracting Emergency Service Providers & Post-Stabilization

- A. Emergency Services: Contractor is responsible for coverage and payment of Emergency Services and post stabilization care services and must cover and pay for Emergency Services regardless of whether the Provider that furnishes the services has a contract with the plan. Contractor may not deny payment for treatment obtained when an enrollee had an emergency medical condition, including cases in which the absence of immediate medical attention would not have had the outcomes specified in 42 CFR 438.114(a) of the definition of emergency medical condition. Further, Contractor may not deny payment for treatment obtained when a

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representative of Contractor instructs the enrollee to seek Emergency Services.

- B. Contractor may not limit what constitutes an emergency medical condition on the basis of lists of diagnoses or symptoms or refuse to cover Emergency Services based on the emergency room Provider, hospital, or fiscal agent not notifying the Member's Primary Care Provider, the plan, or DHCS of the enrollee's screening and treatment within ten (10) calendar days of presentation for Emergency Services. A Member who has an emergency medical condition may not be held liable for payment of subsequent screening and treatment needed to diagnose the specific condition or stabilize the patient.
- C. Contractor shall pay for emergency services received by a Member from non-contracting Providers. Payments to non-contracting Providers shall be for the treatment of the emergency medical condition including Medically Necessary inpatient services rendered to a Member until the Member's condition has stabilized sufficiently to permit referral and transfer in accordance with instructions from Contractor or the Member is stabilized sufficiently to permit discharge. The attending emergency physician, or the Provider treating the Member is responsible for determining when the Member is sufficiently stabilized for transfer or discharge and that determination is binding on the Contractor. Emergency services shall not be subject to prior authorization by Contractor.
- D. At a minimum, Contractor must reimburse the non-contracting emergency department and, if applicable, its affiliated Providers for Physician Services at the lowest level of emergency department evaluation and management Physician's Current Procedural Terminology (CPT) codes, unless a higher level is clearly supported by documentation, and for the facility fee and diagnostic services such as laboratory and radiology.
- E. For all non-contracting Providers, reimbursement by Contractor, or by a Subcontractor who is at risk for out-of-Network emergency services, for properly documented claims for services rendered on or after January 1, 2007 by a non-contracting Provider pursuant to this provision shall be made in accordance with Provision 5. Claims Processing above and 42 USC Section 1396u-2(b)(2)(D).
- F. Contractor shall not refuse to cover reimbursement for Emergency Services rendered by a non-contracting Provider based on the emergency room Provider, hospital, or fiscal agent not notifying the Member's Primary Care Physician or Contractor of the Member's screening and treatment within ten (10) calendar days of presentation for emergency. Contractor shall not limit what constitutes and Emergency Medical Condition solely on the basis of lists of diagnoses or symptoms.

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- G. In accordance with California Code of Regulations, Title 28, Section 1300.71.4, Contractor shall approve or disapprove a request for post-stabilization inpatient services made by a non-contracting Provider on behalf of a Member within 30 minutes of the request. If Contractor fails to approve or disapprove authorization within the required timeframe, the authorization will be deemed approved.
- H. **Post Stabilization Services:** Post stabilization care services are covered and paid for in accordance with provisions set forth at 42 CFR 422.113(c). Contractor is financially responsible for post-stabilization services obtained within or outside Contractor's Network that are pre-approved by a plan Provider or other entity representative. Contractor is financially responsible for post-stabilization care services obtained within or outside Contractor's Network that are not pre-approved by a Network Provider or other Contractor representative, but administered to maintain the enrollee's stabilized condition within one (1) hour of a request to Contractor for pre-approval of further post-stabilization care services.
- I. Contractor is also financially responsible for post-stabilization care services obtained within or outside Contractor's Network that are not pre-approved by a Network Provider or other entity representative, but administered to maintain, improve or resolve the Member's stabilized condition if Contractor does not respond to a request for pre-approval within 30 minutes; Contractor cannot be contacted; or Contractor's representative and the treating physician cannot reach an agreement concerning the Member's care and a plan physician is not available for consultation. In this situation, Contractor must give the treating physician the opportunity to consult with a plan physician and the treating physician may continue with care of the patient until a plan physician is reached or one of the criteria of 42 CFR 422.133(c)(3) is met.
- J. Contractor's financial responsibility for post-stabilization care services it has not pre-approved ends when a plan physician with privileges at the treating hospital assumes responsibility for the Member's care, a plan physician assumes responsibility for the Member's care through transfer, a plan representative and the treating physician reach an agreement concerning the Member's care; or the Member is discharged.
- K. Consistent with 42 CFR 438.114(e), 422.113(c)(2), and 422.214, Contractor is financially responsible for payment of post-stabilization services, following an emergency admission, at the hospital's Medi-Cal FFS payment amounts for general acute care inpatient services rendered by a non-contracting Medi-Cal certified hospital, unless a lower rate is agreed to in writing and signed by the hospital.
 - 1) For the purposes of this Paragraph K, the Medi-Cal FFS payment amounts for dates of service when the post-stabilization services

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were rendered shall be the Medi-Cal FFS payment amounts that are:

- a) Published in the annual All Plan Letter issued by the Department in accordance with California Welfare and Institutions Code Section 14091.3, which for the purposes of this Paragraph K shall apply to all acute care hospitals, including hospitals contracting with the State under the Medi-Cal Selective Provider Contracting Program (Welfare and Institutions Code Section 14081 et. seq.), less any associated direct or indirect medical education payments to the extent applicable, which Item a) shall be applicable until it is replaced by the implementation of the payment methodology in Item b) below.
 - b) Established in California Welfare and Institutions Code Section 14105.28, upon the Department's implementation of the payment methodology based on diagnosis-related groups, which for the purposes of this Paragraph K shall apply to all acute care hospitals, including public hospitals that are reimbursed under the Certified Public Expenditure Basis methodology (Welfare and Institutions Code Section 14166. et. seq.), less any associated direct or indirect medical education payments to the extent applicable.
- 2) Payment made by Contractor to a hospital that accurately reflects the payment amounts required by this Paragraph K shall constitute payment in full under this Paragraph K, and shall not be subject to subsequent adjustments or reconciliations by Contractor, except as provided by Medicaid and Medi-Cal law and regulations. A hospital's tentative and final cost settlement processes required by Title 22 CCR 51536 shall not have any effect on payments made by Contractor pursuant to this Paragraph K.
- L. Disputed emergency services claims may be submitted to DHCS, Office of Administrative Hearings and Appeals, 1029 J Street, Suite 200, Sacramento, California, 95814 for resolution under provisions of Welfare and Institutions Code Section 14454 and, Title 22 CCR, Section 53620 et. seq., except Section 53698. Contractor agrees to abide by the findings of DHCS in such cases, to promptly reimburse the non-contracting Provider within 30 calendar days of the effective date of a decision that Contractor is liable for payment of a claim and to provide proof of reimbursement in such form as the DHCS Director may require. Failure to reimburse the non-contracting Provider and provide proof of reimbursement to DHCS within 30 calendar days shall result in liability offsets in accordance with Welfare and Institutions Code Sections 14454(c) and 14115.5, and California Code of Regulations, Title 22 CCR, Section 53702.

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14. Provider-Preventable Conditions

Contractor shall not pay any provider claims nor reimburse a provider for a Provider-Preventable Condition (PPC), in accordance with 42 CFR 438.3(g). Contractor shall report, and require any and all of its subcontracted providers to report, PPCs in the form and frequency required by APL 17-009.

15. Prohibition Against Payment of Excluded Providers

In accordance with Section 1903(i)(2) of the Act, Contractor shall not pay any amount for any Covered Service or item, other than Emergency Services, to an excluded provider as defined in Exhibit E, Attachment 2, Provision 26, Section B.8) of this Contract. This prohibition shall include services furnished by a Provider at the medical direction or by prescription of the excluded provider when the Provider knew or had a reason to know of the exclusion, or by an excluded provider to whom DHCS has failed to suspend payment while pending an investigation of a credible allegation of fraud.

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1. General Requirement

Contractor shall ensure that each Member has a Primary Care Provider who is available and physically present at the service site for sufficient time to ensure access for the assigned Member when medically required. This requirement does not preclude an appropriately licensed professional from being a substitute for the Primary Care Provider in the event of vacation, illness, or other unforeseen circumstances.

Contractor shall ensure Members access to Specialists for Medically Necessary Covered Services. Contractor shall ensure adequate staff within the Service Area, including physicians, administrative and other support staff directly and/or through Subcontracts, sufficient to assure that health services will be provided in accordance with Title 22 CCR Section 53853(a) and consistent with all specified requirements.

2. Existing Patient-Physician Relationships

Contractor shall ensure that no Traditional or Safety-Net Provider, upon entry into Contractor's Network, suffers any disruption of existing patient-physician relationships, to the maximum extent possible.

3. Access Requirements

Contractor shall establish acceptable accessibility requirements in accordance with Title 28 CCR Section 1300.67.2.1 and as specified below. DHCS will review and approve requirements for reasonableness. Contractor shall communicate, enforce, and monitor Network Providers' compliance with these requirements.

A. Appointments

Contractor shall implement and maintain procedures for Members to obtain appointments for routine care, urgent care, routine specialty referral appointments, prenatal care, children's preventive periodic health assessments, and adult initial health assessments. Contractor shall also include procedures for follow-up on missed appointments.

B. First Prenatal Visit

Contractor shall ensure that the first prenatal visit for a pregnant Member will be available within two (2) weeks upon request.

C. Waiting Times

Contractor shall develop, implement, and maintain a procedure to monitor waiting times in Network Providers' offices, telephone calls (to answer and return), and time to obtain various types of appointments indicated in

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Paragraph A. Appointments, above.

D. Telephone Procedures

Contractor shall require Network Providers to maintain a procedure for triaging Members' telephone calls, providing telephone medical advice (if it is made available) and accessing telephone interpreters.

E. After Hours Calls

At a minimum, Contractor shall ensure that a physician or an appropriate licensed professional under his/her supervision will be available for after-hours calls.

F. Unusual Specialty Services

Contractor shall arrange for the provision of seldom used or unusual specialty services from Specialists outside the Network if unavailable within Contractor's Network, when determined Medically Necessary.

4. Access Standards

Contractor shall ensure the provision of acceptable accessibility standards in accordance with Title 28 CCR Section 1300.67.2.2 and as specified below. Contractor shall communicate, enforce, and monitor Network Providers' compliance with these standards.

A. Appropriate Clinical Timeframes

Contractor shall ensure that Members are offered appointments for covered health care services within a time period appropriate for their condition.

B. Standards for Timely Appointments

Members must be offered appointments within the following timeframes:

- 1) Urgent care appointment for services that do not require prior authorization – within 48 hours of a request;
- 2) Urgent appointment for services that do require prior authorization – within 96 hours of a request;
- 3) Non-urgent primary care appointments – within ten (10) business days of request;
- 4) Appointment with a Specialist – within 15 business days of request;
- 5) Non-urgent appointment for ancillary services for the diagnosis or treatment of injury, illness, or other health condition – within 15 business days of request.

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C. Shortening or Expanding Timeframes

Timeframes may be shortened or extended as clinically appropriate by a qualified health care professional acting within the scope of his or her practice consistent with professionally recognized standards of practice. If the timeframe is extended, it must be documented within the Member's medical record that a longer timeframe will not have a detrimental impact on the Member's health.

D. Provider Shortage

Contractor shall arrange for a Member to receive timely care as necessary for their health condition if timely appointments within the time and distance standards required in Attachment 6, Provision 8 of this contract are not available. Contractor shall refer Members to, or assist Members in locating, available and accessible contracted Providers in neighboring service areas for obtaining health care services in a timely manner appropriate for the Member's needs.

5. Access to Services to Which Contractor or Subcontractor Has a Moral Objection

Contractor shall arrange for the timely referral and coordination of Covered Services to which the Contractor or Subcontractor has religious or ethical objections to perform or otherwise support. Contractor shall demonstrate ability to arrange, coordinate and ensure provision of services through referrals at no additional expense to DHCS. Contractor shall identify these services in the Member Services Guide.

6. Standing Referrals

Contractor shall provide for standing referrals to Specialists, in accordance with Health and Safety Code Section 1374.16, as follows:

- A. Contractor shall have in place a procedure for a Member to receive a standing referral to a Specialist if the primary care physician determines, in consultation with the Specialist and Contractor's Medical Director or the Medical Director's designee, that a Member needs continuing care from a Specialist. If a treatment plan is necessary in the course of care and is approved by Contractor, in consultation with the primary care physician, Specialist, and Member, a referral shall be made in accordance with the treatment plan. A treatment plan may be deemed unnecessary if Contractor approves a current standing referral to a Specialist. The treatment plan may limit the number of visits to the Specialist, limit the period of time that the visits are authorized, or require that the Specialist provide the primary care physician with regular reports on the health care provided to the Member.

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- B. Contractor shall have in place a procedure for a Member with a condition or disease that requires specialized medical care over a prolonged period of time and is life-threatening, degenerative, or disabling to receive a referral to a Specialist or specialty care center that has expertise in treating the condition or disease for the purpose of having the Specialist coordinate the Member's health care. The referral shall be made if the primary care physician, in consultation with the Specialist or specialty care center and Contractor's Medical Director or the Medical Director's designee, determines that this specialized medical care is medically necessary for the Member. If a treatment plan is deemed necessary in the course of the care and is approved by Contractor, in consultation with the primary care physician, Specialist or specialty care center, and Member, a referral shall be made in accordance with the treatment plan. A treatment plan may be deemed unnecessary if Contractor approves the appropriate referral to a Specialist or specialty care center.
- C. Determinations for standing referrals shall be made within three (3) business days from the date the request is made by the Member or the Member's primary care physician and all appropriate medical records and other items of information necessary to make the determination are provided. Once a determination is made, the referral shall be made within four (4) business days of the date the proposed treatment plan, if any, is submitted to Contractor's Medical Director or the Medical Director's designee.
- D. Standing referrals do not require Contractor to refer to a Specialist who, or to a specialty care center that, is not employed by or under contract with Contractor to provide health care services to Members, unless there is no Specialist within the Provider Network that is appropriate to provide treatment to Members, as determined by a primary care physician in consultation with Contractor's Medical Director as documented in the treatment plan.

7. Emergency Care

Contractor shall ensure that a Member with an emergency condition will be seen on an emergency basis and that emergency services will be available and accessible within the Service Area 24-hours-a-day.

- A. Contractor shall cover emergency medical services without prior authorization pursuant to Title 28 CCR, Section 1300.67(g) and Title 22 CCR Section 53216. Contractor shall coordinate access to emergency care services in accordance with the Contractor's DHCS-approved emergency department protocol (see Exhibit A, Attachment 7, Provider Relations).

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- B. Contractor shall ensure adequate follow-up care for those Members who have been screened in the emergency room and require non-emergency care.
- C. Contractor shall ensure that a plan or contracting physician is available 24 hours a day to authorize Medically Necessary post-stabilization care and coordinate the transfer of stabilized Members in an emergency department, if necessary.

8. Nurse Midwife and Nurse Practitioner Services

Contractor shall meet Federal requirements for access to Certified Nurse Midwife (CNM) services as defined in Title 22 CCR Section 51345 and Certified Nurse Practitioner (CNP) services as defined in Title 22 CCR Section 51345.1. Contractor shall inform Members that they have a right to obtain out-of-Network CNM services.

9. Access to Services with Special Arrangements

A. Family Planning

Members have the right to access family planning services through any family planning Provider without prior authorization. Contractor shall provide family planning services in a manner that protects and enables Member freedom to choose the method of family planning to be used consistent with 42 CFR 441.20. Contractor shall inform its Members in writing of their right to access any qualified family planning Provider without Prior Authorization in its Member Services Guide per Exhibit A, Attachment 13, Member Services.

1) Informed Consent

Contractor shall ensure that informed consent is obtained from Medi-Cal enrollees for all contraceptive methods, including sterilization, consistent with requirements of Title 22 CCR Sections 51305.1 and 51305.3.

2) Out-Of-Network Family Planning Services

Members of childbearing age may access the following services from out-of-Network family planning Providers to temporarily or permanently prevent or delay pregnancy:

- a) Health education and counseling necessary to make informed choices and understand contraceptive methods.
- b) Limited history and physical examination.

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- c) Laboratory tests if medically indicated as part of decision-making process for choice of contraceptive methods. Contractor shall not be required to reimburse Out-of-Network Providers for pap smears, if Contractor has provided pap smears to meet the U.S. Preventive Services Task Force guidelines.
- d) Diagnosis and treatment of a sexually transmitted disease episode, as defined by DHCS for each sexually transmitted disease, if medically indicated.
- e) Screening, testing, and counseling of at risk individuals for HIV and referral for treatment.
- f) Follow-up care for complications associated with contraceptive methods provided or prescribed by the family planning Provider.
- g) Provision of contraceptive pills, devices, and supplies.
- h) Tubal ligation.
- i) Vasectomies.
- j) Pregnancy testing and counseling.

B. Sexually Transmitted Diseases (STDs)

Contractor shall provide access to STD services without prior authorization to all Members both within and outside its Provider Network. Members may access out-of-Network STD services through local health department (LHD) clinics, family planning clinics, or through other community STD service Providers. Members may access LHD clinics and family planning clinics for diagnosis and treatment of a STD episode. For community Providers other than LHD and family planning Providers, out-of-Network services are limited to one office visit per disease episode for the purposes of: (1) diagnosis and treatment of vaginal discharge and urethral discharge, (2) those STDs that are amenable to immediate diagnosis and treatment, and this includes syphilis, gonorrhea, chlamydia, herpes simplex, chancroid, trichomoniasis, human papilloma virus, non-gonococcal urethritis, lymphogranuloma venereum and granuloma inguinale and (3) evaluation and treatment of pelvic inflammatory disease. Contractor shall provide follow-up care.

C. HIV Testing and Counseling

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Members may access confidential HIV counseling and testing services through Contractor's Provider Network and through the out-of-Network local health department and family planning Providers.

D. Minor Consent Services

Contractor shall ensure the provision of Minor Consent Services for individuals under the age of 18. Minor Consent Services shall be available within the Provider Network and Members shall be informed of the availability of these services. Minors do not need parental consent to access these services. Minor Consent Services are services related to:

- 1) Sexual assault, including rape.
- 2) Drug or alcohol abuse for children 12 years of age or older.
- 3) Pregnancy.
- 4) Family planning.
- 5) Sexually transmitted diseases (STDs), designated by the Director, in children 12 years of age or older.
- 6) Outpatient mental health care for children 12 years of age or older who are mature enough to participate intelligently and where either (1) there is a danger of serious physical or mental harm to the minor or others, or (2) the children are the alleged victims of incest or child abuse.

E. Immunizations

Members may access LHD clinics for immunizations. Contractor shall, upon request, provide updated information on the status of Members' immunizations to the LHD clinic. The LHD clinic shall provide immunization records when immunization services are billed to the Contractor.

F. American Indian Health Services Programs

Contractor shall ensure Members have access to American Indian Health Services Programs pursuant to, and in compliance with all requirements of 42 USC Section 1396o(a), and Section 5006 of Title V of the American Recovery and Reinvestment Act of 2009. American Indian Health Service Programs, whether a Network Provider or Out-of-Network Provider, can provide referrals directly to Network Providers without first requesting a referral from a Network Primary Care Provider. Contractor shall ensure timely access to American Indian Health Service Programs by including

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American Indian Health Service Programs within Contractor's Network for American Indian Members, as well as permitting access to out-of-network American Indian Health Service Programs, in accordance with 42 CFR 438.14(b).

10. Changes in Availability or Location of Covered Services

Contractor shall provide notification to DHCS 60 calendar days prior to making any substantial change in the availability or location of services to be provided under this Contract. In the event of an emergency or other unforeseeable circumstances, Contractor shall provide notice of the emergency or other unforeseeable circumstance to DHCS as soon as possible.

11. Access for Disabled Members

Contractor's facilities shall comply with the requirements of Title III of the Americans with Disabilities Act of 1990, and shall ensure access for the disabled which includes, but is not limited to, ramps, elevators, restrooms, designated parking spaces, and drinking water provision.

12. Civil Rights Act of 1964

Contractor shall ensure compliance with Title 6 of the Civil Rights Act of 1964 (42 USC Section 2000d, 45 C.F.R. Part 80) that prohibits recipients of Federal financial assistance from discriminating against persons based on race, color, religion, or national origin. Contractor shall ensure equal access to health care services for limited English proficient Medi-Cal Members or Potential Enrollees through provision of high quality interpreter and linguistic services.

13. Cultural and Linguistic Program

Contractor shall have a Cultural and Linguistic Services Program that incorporates the requirements of Title 22 CCR Section 53876. Contractor shall monitor, evaluate, and take effective action to address any needed improvement in the delivery of culturally and linguistically appropriate services. Contractor shall review and update their cultural and linguistic services consistent with the group needs assessment (GNA) requirements stipulated below.

A. Written Description

Contractor shall implement and maintain a written description of its Cultural and Linguistic Services Program, which shall include at minimum the following:

- 1) An organizational commitment to deliver culturally and linguistically appropriate health care services.

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- 2) Goals and objectives.
- 3) A timetable for implementation and accomplishment of the goals and objectives.
- 4) An organizational chart showing the key staff persons with overall responsibility for cultural and linguistic services and activities. A narrative shall explain the chart and describe the oversight and direction to the Community Advisory Committee, provisions for support staff, and reporting relationships. Qualifications of staff, including appropriate education, experience and training shall also be described.
- 5) Standards and Performance requirements for the delivery of culturally and linguistically appropriate health care services.

B. Linguistic Capability of Employees

Contractor shall assess, identify and track the linguistic capability of interpreters or bilingual employees and contracted staff (clinical and non-clinical).

C. Group Needs Assessment (GNA)

Contractor shall conduct a GNA, as specified below, to identify the health education and cultural and linguistic needs of its' Members; and utilize the findings for continuous development and improvement of contractually required health education and cultural linguistic programs and services. Contractor must use multiple reliable data sources, methodologies, techniques, and tools to conduct the GNA.

- 1) Contractor shall conduct an initial GNA within 12 months from the commencement of operations within a Service Area and at least every five (5) years from the commencement of operations thereafter. For Contracts existing at the time this provision becomes effective, the next GNA will be required at a time within the five (5) year period from the effective date of this provision, to be determined by DHCS.
- 2) Contractor shall submit a GNA Summary Report to the DHCS within six (6) months of the completion of each GNA. The summary report must include:
 - a) The objectives; methodology; data sources; survey instruments; findings and conclusions; program and policy implications; and references contained in the GNA.

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- b) The findings and conclusions must include the following information for Medi-Cal plan Members: 1) demographic profile; 2) related health risks, problems and conditions; 3) related knowledge, attitudes and practices including cultural beliefs and practices; 4) perceived health education needs including learning needs, preferred methods of learning and literacy level; and 5) culturally competent community resources.
 - 3) Contractor shall annually update the GNA summary report, including a current update on the information required in item 2) b) above. Contractor shall maintain, and have available for DHCS review, the GNA summary report updates.
 - 4) Contractor shall demonstrate that GNA and summary report findings and conclusions in item 2) b) above are utilized for continuous development of its health education and cultural and linguistic services program. Contractor must maintain documentation of program priorities, target populations, and program goals/objectives as they are revised to meet the identified and changing needs of the Member population.
- D. The results of the GNA shall be considered in the development of any Marketing or promotional materials prepared by Contractor.
- E. Cultural Competency Training
- Contractor shall provide cultural competency, sensitivity, or diversity training for staff, Network Providers, and Subcontractors at key points of contact. The training shall promote access and the delivery of services in a culturally competent manner to all Members, regardless of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56. The training shall cover information about the identified cultural groups in the Contractor's Service Areas, such as the groups' beliefs about illness and health; methods of interacting with Providers and the health care structure; traditional home remedies that may impact what the Provider is trying to do to treat the patient; and, language and literacy needs.
- F. Program Implementation and Evaluation
- Contractor shall develop and implement policies and procedures for assessing the performance of individuals who provide linguistic services as well as for overall monitoring and evaluation of the Cultural and Linguistic Services Program.

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14. Linguistic Services

- A. Contractor shall comply with Title 22 CCR Section 53853(c) and (d), and ensure that all monolingual, non-English-speaking, or LEP Members and Potential Enrollees receive 24-hour oral interpreter services at all key points of contact, as defined in Paragraph D of this provision, either through interpreters, telephone language services, or any electronic options Contractor chooses to utilize. Contractor shall ensure that lack of interpreter services does not impede or delay timely access to care.
- B. Contractor shall comply with 42 CFR 438.10(d)(4) and provide, at minimum, the following linguistic services at no cost to Medi-Cal Members or Potential Enrollees:
 - 1) Oral Interpreters, signers, or bilingual Providers and Provider staff at all key points of contact. These services shall be provided in all languages spoken by Medi-Cal Members and Potential Enrollees and not limited to those that speak the threshold or concentration standards languages.
 - 2) Fully translated Member information, including but not limited to the Member Services Guide, welcome packets, marketing information, and form letters including NOA letters and Grievance and Appeal acknowledgement and resolution letters. Contractor shall provide translated written informing materials to all monolingual or LEP Members that speak the identified threshold or concentration standard languages. The threshold or concentration languages are identified by DHCS within Contractor's Service Area, and by the Contractor in its GNA.
 - 3) Referrals to culturally and linguistically appropriate community service programs.
 - 4) Auxiliary Aids such as Telephone Typewriters (TTY)/ Telecommunication Devices for the Deaf (TDD) and American Sign Language.
- C. Contractor shall provide translated Member information to the following population groups within its Service Area as determined by DHCS:
 - 1) A population group of mandatory Eligible Beneficiaries residing in Contractor's Service Area who indicate their primary language as a language other than English, and that meet a numeric threshold of 3,000 or five percent (5%) of the Eligible Beneficiaries population, whichever is lower.

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- 2) A population group of mandatory Eligible Beneficiaries residing in Contractor's Service Area who indicate their primary language as a language other than English and who meet the concentration standards of 1,000 in a single zip code or 1,500 in two contiguous zip codes.

D. Key points of contact include:

- 1) Medical care settings: telephone, advice and urgent care transactions, and outpatient encounters with health care Providers including pharmacists.
- 2) Non-medical care setting: Member services, orientations, and appointment scheduling.

15. Community Advisory Committee

Contractor shall form a Community Advisory Committee (CAC) pursuant to Title 22 CCR Section 53876 (c) that will implement and maintain community partnerships with consumers, community advocates, and Traditional and Safety-Net Providers. Contractor shall ensure that the CAC is included and involved in policy decisions related to Quality Improvement, educational, operational and cultural competency issues affecting groups who speak a primary language other than English.

16. Out-of-Network Providers

- A. If Contractor's Network is unable to provide necessary services covered under the Contract to a particular Member, Contractor must adequately and timely cover these services out-of-Network for the Member, for as long as the entity is unable to provide them. Out-of-Network Providers must coordinate with the entity with respect to payment. Contractor must ensure that cost to the Member is not greater than it would be if the services were furnished within the Network.
- B. Contractor shall provide for the completion of covered services by a terminated or Out-of-Network Provider at the request of a Member in accordance with the continuity of care requirements in Health and Safety Code Section 1373.96.
- C. For newly enrolled SPD beneficiaries who request continued access, Contractor shall provide continued access for up to 12 months to an Out-of-Network Provider with whom they have an ongoing relationship if there are no quality of care issues with the Provider and the Provider will accept Contractor or Medi-Cal FFS rates, whichever is higher, in accordance with W & I Code 14182(b)(13) and (14). An ongoing relationship shall be determined by the Contractor identifying a link between a newly enrolled

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SPD beneficiary and an Out-of-Network Provider using FFS utilization data provided by DHCS.

- D. In determining access to Out-of-Network Providers for mental health or substance use disorder benefits, Contractor must use processes, strategies, evidentiary standards, or other factors that are comparable to, and applied no more stringently than, the processes, strategies, evidentiary standards, or other factors for services identified within this Provision, in accordance with 42 CFR 438.910(d)(3).

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1. Covered Services

- A. Contractor shall provide or arrange for all Medically Necessary Covered Services for Members. Covered Services are those services set forth in Title 22 CCR Chapter 3, Article 4, beginning with Section 51301, Title 17, CCR, Division 1, Chapter 4, Subchapter 13, beginning with Section 6840, and provided in accordance 42 CFR 438.210(a) and 42 CFR 440.230, unless otherwise specifically excluded under the terms of this Contract. Contractor shall ensure that the Covered Services and other services required in this Contract are provided to a Member in an amount no less than what is offered to beneficiaries under FFS. Contractor has the primary responsibility to provide all Medically Necessary Covered Services, including services which exceed the services provided by Local Education Agencies (LEA), Regional Centers, or local governmental health programs.
- B. Contractor shall ensure that services provided are sufficient in amount, duration, or scope to reasonably achieve the purpose for which the Covered Services are furnished, and may not arbitrarily deny or reduce the amount, duration, or scope of a required service solely because of the diagnosis, type of illness, or condition. Contractor may place appropriate limits on a service on the basis of criteria such as Medical Necessity; or for utilization control, provided the services furnished can reasonably be expected to achieve their purpose and the services supporting Members with ongoing or chronic conditions, or who require MLTSS, are provided in a manner that reflects the Member's ongoing needs.
- C. Except as set forth in Attachment 3.1.B.1 (effective 1/1/2006) of the California Medicaid State Plan or as otherwise authorized by Welfare and Institutions Code Section 14133.23, effective January 1, 2006, drug benefits for Full Benefit Dual Eligible Members who are eligible for drug benefits under Part D of Title XVIII of the Social Security Act (42 USC Section 1395w-101 et seq) are not a Covered Service under this Contract. Consequently, effective January 1, 2006, the capitation rates shall not include reimbursement for such drug benefits and existing capitation rates shall be adjusted accordingly, even if the adjustment results in a change of less than one percent of cost to Contractor. Additionally, Contractor shall comply with all applicable provisions of the Medicare Prescription Drug Improvement and Modernization Act of 2003, 42 USC Section 1395(x) et seq.
- D. In addition to services covered under the California Medicaid State Plan, Contractor shall cover any services necessary for compliance with the requirements for parity in mental health and substance use disorder benefits and ensure that Members are given access to all mental health and substance use disorder benefits in accordance with 42 CFR 438.900 et seq. The types, amount, duration, and scope of these services must be

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consistent with the parity compliance analysis conducted by either DHCS or Contractor.

- 1) If Contractor provides Members with mental health or substance use disorder services in any classification of benefits as described in 42 CFR 439.910(b)(2), then Contractor must provide to Members those services in every classification that is listed therein and is covered by Contractor. In determining the classification in which a particular benefit belongs, Contractor must apply the same reasonable standards for medical/surgical benefits to mental health or substance use disorder benefits.
- 2) Contractor shall provide referrals for all non-covered mental health and substance use disorder services.

2. Medically Necessary Services

For purposes of this Contract, the term “Medically Necessary” will include all Covered Services that are reasonable and necessary to protect life, prevent illness or disability, alleviate severe pain through the diagnosis or treatment of disease, illness or injury, achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity per Title 22 CCR Section 51303(a) and 42 CFR 438.210(a)(5).

When determining the Medical Necessity of Covered Services for a Medi-Cal beneficiary under the age of 21, “Medical Necessity” is expanded to include the standards set forth in 42 USC Section 1396d(r), and W & I Code Section 14132 (v).

3. Initial Health Assessment (IHA)

An Initial Health Assessment (IHA) consists of a history and physical examination and an Individual Health Education Behavioral Assessment (IHEBA) that enables a Provider of primary care services to comprehensively assess the Member’s current acute, chronic and preventive health needs and identify those Members whose health needs require coordination with appropriate community resources and other agencies for services not covered under this contract.

- A. Contractor shall cover and ensure the provision of an IHA (complete history and physical examination) in conformance with Title 22 CCR Section 53851(b)(1) to each new Member within timelines stipulated in Provision 5 and Provision 6 below.
- B. Contractor shall ensure that the IHA includes an IHEBA as described in Exhibit A, Attachment 10, Provision 8, Paragraph A, 10) using an age appropriate DHCS-approved assessment tool. Contractor is responsible for assuring that arrangements are made for follow-up services that reflect

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the findings or risk factors discovered during the IHA and IHEBA.

- C. Contractor shall ensure that Members' completed IHA and IHEBA tool are contained in the Members' medical record and available during subsequent preventive health visits.
- D. Contractor shall make reasonable attempts to contact a Member and schedule an IHA. All attempts shall be documented. Documented attempts that demonstrate Contractor's unsuccessful efforts to contact a Member and schedule an IHA shall be considered evidence in meeting this requirement.

4. Health Risk Stratification and Assessment for SPD Beneficiaries

Contractor shall apply a DHCS approved health risk stratification mechanism or algorithm to identify newly enrolled SPD beneficiaries with higher risk and more complex health care needs within 44 days of enrollment. Based on the results of the health risk stratification, Contractor shall also administer the DHCS approved health risk assessment survey within 45 days for SPD beneficiaries deemed to be at a higher health risk, and 105 days for those determined to be a lower health risk. The health risk stratification and assessment shall be done in accordance with W & I Code Sections 14182 (c)(11) to (13) and APL 17-013.

5. Services for Members under Twenty-One (21) Years of Age

Contractor shall cover and ensure the provision of screening, preventive and Medically Necessary diagnostic and treatment services for Members under 21 years of age including services listed under 42 USC Section 1396d(r), and Welfare and Institutions Code, Section 14132(v), unless otherwise excluded under this Contract.

Contractor shall ensure that appropriate diagnostic and treatment services are initiated as soon as possible but no later than 60 calendar days following either a preventive screening or other visit that identifies a need for follow-up.

A. Provision of IHAs for Members under Age 21

- 1) For Members under the age of 18 months, Contractor shall ensure the provision of an IHA within 120 calendar days following the date of enrollment or within periodicity timelines established by the American Academy of Pediatrics (AAP) for ages two and younger whichever is less.
- 2) For Members 18 months of age and older upon enrollment, Contractor is responsible to ensure an IHA is performed within 120 calendar days of enrollment.

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- 3) Contractor shall ensure that performance of the California Child Health and Disability Prevention (CHDP) program's age appropriate assessment due for each child at the time of enrollment is accomplished at the IHA. The initial assessment must include, or arrange for provision of, all immunizations necessary to ensure that the child is up-to-date for age, and an age appropriate IHEBA. See PL 13-001 for specific IHEBA requirements.

B. Children's Preventive Services

- 1) Contractor shall provide preventive health visits for all Members under 21 years of age at times specified by the most recent AAP periodicity schedule (Bright Futures guidelines) and anticipatory guidance as outlined in the AAP Bright Futures periodicity schedule. This schedule requires more frequent visits than does the periodicity schedule of the CHDP program. Contractor shall provide, as part of the periodic preventive visit, all age specific assessments and services required by the CHDP program and the age-specific IHEBA as necessary.
- 2) Where the AAP periodicity exam schedule is more frequent than the CHDP periodicity examination schedule, Contractor shall ensure that the AAP scheduled assessment includes all assessment components required by the CHDP for the lower age nearest to the current age of the child.
- 3) Where a request is made for children's preventive services by the Member, the Member's parent(s) or guardian or through a referral from the local CHDP program, an appointment shall be made for the Member to be examined within two weeks of the request.
- 4) At each non-emergency primary care encounter with Members under the age of 21 years, the Member (if an emancipated minor) or the parent(s) or guardian of the Member shall be advised of the children's preventive services due and available from Contractor, if the Member has not received children's preventive services in accordance with CHDP preventive standards for children of the Members' age. Documentation shall be entered in the Member's Medical Record which shall indicate the receipt of children's preventive services in accordance with the CHDP standards or proof of voluntary refusal of these services in the form of a signed statement by the Member (if an emancipated minor) or the parent(s) or guardian of the Member. If the responsible party refuses to sign this statement, the refusal shall be noted in the Member's Medical Record.
- 5) The Confidential Screening/Billing Report form, PM 160-PHP, or

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any other system or format implemented by DHCS, shall be used to report all children's preventive services Encounters, in addition to the Encounter Data submittal required in Exhibit A, Attachment 3, Management Information System Capability, Provision 2.

Encounter Data Submittal. Contractor shall submit completed forms to DHCS and to the local children's preventive services program within the timeframe specified by DHCS.

C. Immunizations

Contractor shall ensure that all children receive necessary immunizations at the time of any health care visit. Contractor shall cover and ensure the timely provision of vaccines in accordance with the most recent childhood immunization schedule and recommendations published by the Advisory Committee on Immunization Practices (ACIP). Documented attempts that demonstrate Contractor's unsuccessful efforts to provide the immunization shall be considered sufficient in meeting this requirement.

If immunizations cannot be given at the time of the visit, the Member must be instructed as to how to obtain necessary immunizations or a scheduled and documented appointment must be made.

Appropriate documentation shall be entered in the Member's Medical Record that, indicates all attempts to provide immunization(s); instructions as to how to obtain necessary immunizations; the receipt of vaccines or proof of prior immunizations; or proof of voluntary refusal of vaccines in the form of a signed statement by the Member (if an emancipated minor) or the Parent(s) or guardian of the Member. If the responsible party refuses to sign this statement, the refusal shall be noted in the Member's Medical Record.

Upon Federal Food and Drug Administration (FDA) approval of any vaccine for childhood immunization purposes, Contractor shall develop policies and procedures for the provision and administration of the vaccine. Such policies and procedures shall be developed within ~~thirty~~ (30)-calendar days of the vaccine's approval date. Contractor shall cover and ensure the provision of the vaccine from the date of its approval regardless of whether or not the vaccine has been incorporated into the Vaccines for Children (VFC) Program. Policies and procedures must be in accordance with any Medi-Cal FFS guidelines issued prior to final ACIP recommendations.

Contractor shall provide information to all Network Providers regarding the VFC Program.

D. Blood Lead Screens

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Contractor shall cover and ensure the provision of a blood lead screening test to Members at ages one (1) and two (2) in accordance with Title 17, Division 1, Chapter 9, Articles 1 and 2, commencing with Section 37000. Contractor shall document and appropriately follow up on blood lead screening test results.

Contractor shall make reasonable attempts to ensure the blood lead screen test is provided and shall document attempts to provide test. If the blood lead screen test is refused by the Member, proof of voluntary refusal of the test in the form of a signed statement by the Member (if an emancipated minor) or the Parent(s) or guardian of the Member shall be documented in the Member's Medical Record. If the responsible party refuses to sign this statement, the refusal shall be noted in the Member's Medical Record. Documented attempts that demonstrate Contractor's unsuccessful efforts to provide the blood lead screen test shall be considered evidence in meeting this requirement.

E. Screening for Chlamydia

Contractor shall screen all females less than 21 years of age, who have been determined to be sexually active, for chlamydia. Follow up of positive results must be documented in the medical record.

Contractor shall make reasonable attempts to contact the appropriately identified Members and provide screening for chlamydia. All attempts shall be documented. Documented attempts that demonstrate Contractor's unsuccessful efforts to contact a Member and screen for chlamydia shall be considered evidence in meeting this requirement.

If the Member refuses the screening, proof of voluntary refusal of the test in the form of a signed statement by the Member (if an emancipated minor) or the Parent(s) or guardian of the Member shall be documented in the Member's Medical Record. If the responsible party refuses to sign this statement, the refusal shall be noted in the Member's Medical Record.

F. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services

For Members under the age of 21 years, Contractor shall provide or arrange and pay for EPSDT services, unless otherwise excluded in this Contract. Covered Services include all Medically Necessary services, as defined in 42 USC Section 1396d(r), and Welfare and Institutions Code, Section 14132(v). Covered Services shall include case management as well as Targeted Case Management services as defined in Attachment 11, Provision 3 of this Contract.

Contractor is required to provide appointment scheduling assistance and

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necessary transportation, including Non-Emergency Medical Transportation (NEMT) and Non-Medical Transportation (NMT), to and from medical appointments for Medically Necessary Covered Services that Contractor is responsible for providing pursuant to this Contract.

Contractor shall also ensure that appropriate EPSDT services are initiated in a timely manner, as soon as possible but no later than 60 calendar days following either a preventive screening or other visit that identifies a need for follow-up.

Covered Services do not include California Children's Services (CCS) pursuant to Exhibit A, Attachment 11, Provision 9, regarding CCS, or mental health services pursuant to Provision 8 below, regarding Mental Health Services. Contractor shall determine the Medical Necessity of EPSDT services using the criteria established in 42 USC Section 1396d(r), and Welfare and Institutions Code, Section 14132(v).

G. Behavioral Health Treatment (BHT) Services

For Members under 21 years of age diagnosed with Autism Spectrum Disorder (ASD), or for Members under 3 years of age with a rule out or provisional diagnosis, Contractor shall cover Medically Necessary BHT services as defined in the federally approved State Plan, and in accordance with Health and Safety Code sections 1374.72 and 1374.73, 28 California Code of Regulations 1300.74.72, APL 15-019, and APL 15-025 to the extent that they are consistent with the State Plan. APLs superseding APL 15-019 and APL 15-025 that clarify the delivery of BHT services shall be incorporated herein by this reference and become part of this Contract as of their effective date.

- 1) Contractor shall provide Medically Necessary BHT services as stated in the Member's treatment plan and/or continuation of BHT services under continuity of care with the Member's BHT Provider.
- 2) For Members 3 years or older, Contractor shall require a Comprehensive Diagnostic Evaluation before Members receive BHT services.
- 3) BHT services must be based upon a treatment plan that is reviewed no less than every six (6) months by a qualified autism service Provider as defined by Health and Safety Code Section 1374.73(c)(3) and by the federally approved State Plan.
- 4) Contractor shall provide continuity of care for Members diagnosed with ASD as stated below and in accordance with this Section G.
 - a) For Members who had received BHT through a regional

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center prior to September 15, 2014, Contractor shall not provide BHT services until such time as the Member may be safely transitioned into Contractor's Provider Network in accordance with the BHT services transition plan approved by DHCS and the Department of Developmental Services (DDS). If a Member, or a Member's parent or legal guardian, chooses to access BHT services from Contractor's Network Provider prior to the transition of regional center clients to the Contractor for BHT services, Contractor shall provide Medically Necessary BHT services from Contractor's Network Provider.

- b) If Members received BHT services outside of Contractor's Network prior to September 15, 2014, and the Member or the Member's parent or legal guardian request continued access to their existing BHT Provider, Contractor shall ensure continuity of care in accordance with APL 15-019 and APL 15-025. Contractor must offer continuity of care with an out-of-Network BHT Provider if all of the following conditions are met:
- i. The Member has an existing relationship with a qualified autism service Provider. An existing relationship means the Member has seen an out-of-Network BHT Provider at least one time during the six (6) months prior to Contractor assuming responsibility of BHT services from the regional center or the date of the Member's initial enrollment with Contractor if enrollment occurred on or after September 15, 2014;
 - ii. The Provider can agree to Contractor's rate or the Medi-Cal FFS rate, whichever is higher, for the appropriate BHT service;
 - iii. The Provider does not have any documented quality of care issues that would cause exclusion from Contractor's Network;
 - iv. The Provider is a qualified Provider under Health & Safety Code Section 1374.73 and the approved State Plan; and
 - v. The Provider supplies Contractor with all relevant treatment information, for purposes of determining medical necessity, as well as a current treatment plan, as long as it is allowable under federal and state privacy laws and regulations.

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- c) Contractor shall continue to authorize Medically Necessary BHT services in accordance with the Member's treatment plan at the time of the request for continuity of care during the continuity of care period.
- d) Contractor's Network Provider may update the BHT treatment plan upon completion of the assessment and discontinue BHT services if the evaluation determines that the authorization of BHT services is not Medically Necessary.
- 5) Contractor shall provide all necessary Member treatment information to the Member's regional center to enable care coordination, as permitted by federal and State law, APL 15-022, and this Contract.
- 6) Contractor shall enter into a Memorandum of Understanding (MOU) with each local regional center in accordance with Exhibit A, Attachment 12, Provision 2 of this Contract, to facilitate the coordination of services for Members with developmental disabilities, including ASD, as permitted by federal and State law, and specified by DHCS in APL 15-022. If Contractor is unable to enter into an MOU, Contractor shall inform DHCS why agreement with the regional center was not reached and demonstrate that a good faith effort was made by Contractor to enter into an MOU with the regional center.

6. Services for Adults

A. IHAs for Adults (Age 21 and older)

- 1) Contractor shall cover and ensure that an IHA for adult Members is performed within 120 calendar days of enrollment.
- 2) Contractor shall ensure that the performance of the initial complete history and physical exam for adults includes, but is not limited to:
 - a) blood pressure,
 - b) height and weight,
 - c) total serum cholesterol measurement for men ages 35 and over and women ages 45 and over,
 - d) clinical breast examination for women over 40,
 - e) mammogram for women age 50 and over,
 - f) Pap smear (or arrangements made for performance) on all women determined to be sexually active,
 - g) Chlamydia screen for all sexually active females aged 21

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and older who are determined to be at high-risk for chlamydia infection using the most current CDC guidelines. These guidelines include the screening of all sexually active females aged 21 through 25 years of age,

- h) screening for TB risk factors including a Mantoux skin test on all persons determined to be at high risk, and,
- i) IHEBA.

B. Adult Preventive Services

Contractor shall cover and ensure the delivery of all preventive services and Medically Necessary diagnostic and treatment services for adult Members.

- 1) Contractor shall ensure that the latest edition of the Guide to Clinical Preventive Services published by the U.S. Preventive Services Task Force (USPSTF) is used to determine the provision of clinical preventive services to asymptomatic, healthy adult Members [age 21 or older]. All preventive services identified as USPSTF “A” and “B” recommendations must be provided. For tobacco use prevention and cessation services, Contractor may use either the USPSTF recommendations or the latest edition of the US Public Health Service “Treating Tobacco Use and Dependence: A Clinical Practice Guideline.” As a result of the IHA or other examination, discovery of the presence of risk factors or disease conditions will determine the need for further follow-up, diagnostic, and/or treatment services. In the absence of the need for immediate follow-up, the core preventive services identified in the requirements for the IHA for adults described above shall be offered in the frequency required by the USPSTF Guide to Clinical Preventive Services.
- 2) Contractor shall cover and ensure the provision of all Medically Necessary diagnostic, treatment, and follow-up services which are necessary given the findings or risk factors identified in the IHA or during visits for routine, urgent, or emergent health care situations. Contractor shall ensure that these services are initiated as soon as possible but no later than 60 calendar days following discovery of a problem requiring follow up.

C. Immunizations

Contractor is responsible for assuring that all adults are fully immunized. Contractor shall cover and ensure the timely provision of vaccines in accordance with the most current California Adult Immunization recommendations.

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In addition, Contractor shall cover and ensure the provision of age and risk appropriate immunizations in accordance with the findings of the IHA, other preventive screenings and/or the presence of risk factors identified in the health education behavioral assessment.

Contractor shall document attempts to provide immunizations. If the Member refuses the immunization, proof of voluntary refusal of the immunization in the form of a signed statement by the Member or guardian of the Member shall be documented in the Member's Medical Record. If the responsible party refuses to sign this statement, the refusal shall be noted in the Member's Medical Record. Documented attempts that demonstrate Contractor's unsuccessful efforts to provide the immunization shall be considered evidence in meeting this requirement.

7. Pregnant Women

A. Prenatal Care

Contractor shall cover and ensure the provision of all Medically Necessary services for pregnant women. Contractor shall ensure that the most current standards or guidelines of the American College of Obstetricians and Gynecologists (ACOG) are utilized to provide, at a minimum, quality perinatal services.

B. Risk Assessment

Contractor shall implement a comprehensive risk assessment tool for all pregnant female Members that is comparable to the ACOG standard and Comprehensive Perinatal Services Program (CPSP) standards per Title 22 CCR Section 51348. The results of this assessment shall be maintained as part of the obstetrical record and shall include medical/obstetrical, nutritional, psychosocial, and health education needs risk assessment components. The risk assessment tool shall be administered at the initial prenatal visit, once each trimester thereafter and at the postpartum visit. Risks identified shall be followed up on by appropriate interventions, which must be documented in the medical record.

C. Referral to Specialists

Contractor shall ensure that pregnant women at high risk of a poor pregnancy outcome are referred to appropriate Specialists including perinatologists and have access to genetic screening with appropriate referrals. Contractor shall also ensure that appropriate hospitals are available within the Provider Network to provide necessary high-risk pregnancy services.

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8. Services for All Members

A. Health Education

- 1) Contractor shall implement and maintain a health education system that includes programs, services, functions, and resources necessary to provide health education, health promotion and patient education for all Members.
- 2) Contractor shall ensure administrative oversight of the health education system by a qualified full-time health educator.
- 3) Contractor shall provide health education programs and services at no charge to Members directly and/or through Subcontracts or other formal agreements with Providers that have expertise in delivering health education services to the Member population.
- 4) Contractor shall ensure the organized delivery of health education programs using educational strategies and methods that are appropriate for Members and effective in achieving behavioral change for improved health.
- 5) Contractor shall ensure that health education materials are written at the sixth grade reading level and are culturally and linguistically appropriate for the intended audience.
- 6) Contractor shall maintain a health education system that provides educational interventions addressing the following health categories and topics:
 - a) Appropriate use of health care services – managed health care; preventive and primary health care; obstetrical care; health education services; and, complementary and alternative care.
 - b) Risk-reduction and healthy lifestyles – tobacco use and cessation; alcohol and drug use; injury prevention; prevention of sexually transmitted diseases; HIV and unintended pregnancy; nutrition, weight control, and physical activity; and, parenting.
 - c) Self-care and management of health conditions – pregnancy; asthma; diabetes; and, hypertension.
- 7) Contractor shall ensure that Members receive point of service education as part of preventive and primary health care visits.

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Contractor shall provide education, training, and program resources to assist contracting medical Providers in the delivery of health education services for Members.

- 8) Contractor shall maintain health education policies and procedures, and standards and guidelines; conduct appropriate levels of program evaluation; and, monitor performance of Providers that are contracted to deliver health education services to ensure effectiveness.
- 9) Contractor shall periodically review the health education system to ensure appropriate allocation of health education resources, and maintain documentation that demonstrates effective implementation of the health education requirements.
- 10) Contractor shall ensure that all new Members complete the IHEBA within 120 calendar days of enrollment as part of the IHA; and that all existing Members complete the IHEBA at their next non-acute care visit. Contractor shall ensure: 1) that Primary Care Providers use the DHCS standardized “Staying Healthy” assessment tools, or alternative approved tools that comply with DHCS approval criteria for the IHEBA; and 2) that the IHEBA tool is: a) administered and reviewed by the Primary Care Provider during an office visit, b) reviewed at least annually by the Primary Care Provider with Members who present for a scheduled visit, and c) re-administered by the Primary Care Provider at the appropriate age-intervals.
- 11) Contractor shall cover and ensure provision of comprehensive case management including coordination of care services as described in Exhibit A, Attachment 11.

B. The Health Information Form (HIF)/Member Evaluation Tool (MET)

Contractor shall use data from a Health Information Form (HIF)/Member Evaluation Tool (MET) to help identify newly enrolled Members who may need expedited services. In accordance with 42 CFR 438.208(b), Contractor shall, at a minimum, comply with the following:

- 1) Mail a DHCS-approved HIF/MET to all new Members as a part of Contractor’s welcome packet and include a postage paid envelope for response.
- 2) Within 90 days of each new Member’s effective date of enrollment:
 - a) Make at least two (2) telephone call attempts to remind new Members to return the HIF/MET and/or collect the HIF/MET information from new Members. This outreach can be done

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through head of household for Members under the care of parents, custodial parents, legal guardians, or other authorized representatives in accordance with applicable privacy laws.

- b) Conduct an initial screening of the Member's needs as identified in the HIF/METs received. To meet this requirement, Contractor may build upon any existing screening process currently used to meet requirements in Exhibit A, Attachment 10, Scope of Services, or Exhibit A, Attachment 11, Case Management and Coordination of Care.
- 3) Upon a Member's disenrollment, Contractor shall make the HIF/MET assessment results available to their new Medi-Cal Managed Care Health Plan upon request.

C. Hospice Care

- 1) Contractor shall cover and ensure the provision of hospice care services as defined in Sections 1905(o)(1) of the Social Security Act. Contractor shall ensure that Members and their families are fully informed of the availability of hospice care as a covered service and the methods by which they may elect to receive these services. Services shall be limited to individuals who have been certified as terminally ill with a life expectancy of 6 months or less if the terminal illness runs its normal course, and who directly or through their representative voluntarily elect to receive such benefits in lieu of other care as specified. However, for a member under age 21, a voluntary election of hospice care shall not constitute a waiver of any rights of that member to be provided with, or to have payment made for covered services that are related to the treatment of that member's condition for which a diagnosis of terminal illness has been made.

For individuals who have elected hospice care, Contractor shall arrange for continuity of medical care, including maintaining established patient-Provider relationships, to the greatest extent possible. Contractor shall cover the cost of all hospice care provided. Contractor is also responsible for all medical care not related to the terminal condition.

- 2) Admission to a nursing facility of a Member who has elected covered hospice services, as described in Title 22 CCR Section 51349, does not affect the Member's eligibility for enrollment under this Contract. Hospice services are Covered Services under this Contract and are not Long-Term Care (LTC) services regardless of

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the Member's expected or actual length of stay in a nursing facility.

D. Vision Care - Lenses

Contractor shall cover and ensure the provision of eye examinations and prescriptions for corrective lenses as appropriate for all Members. Contractor shall arrange for the fabrication of optical lenses for Members through Prison Industry Authority (PIA) optical laboratories. Contractor shall cover the cost of the eye examination and dispensing of the lenses for Members. DHCS will reimburse PIA for the fabrication of the optical lenses in accordance with the contract between DHCS and PIA.

E. Mental Health and Substance Use Disorder Services

- 1) Contractor shall cover Outpatient Mental Health Services that are within the scope of practice of Primary Care Providers and mental health care Providers, in accordance with the Outpatient Mental Health Services requirements as defined in Exhibit E, Attachment 1, Definitions. Contractor's policies and procedures shall define and describe what services are to be provided by Primary Care Providers.

In addition, Contractor shall cover and ensure the provision of psychotherapeutic drugs prescribed by its Primary Care Providers or other mental health care professionals, except those specifically excluded in this Contract as stipulated below.

- 2) Contractor shall cover and pay for all Medically Necessary Covered Services for the Member, including the following services:
 - a) Emergency room professional services as described in Title 22 CCR Section 53855, except services provided by psychiatrists, psychologists, licensed clinical social workers, marriage, family and child counselors, or other specialty mental health Providers.
 - b) Facility charges for emergency room visits which do not result in a psychiatric admission.
 - c) All laboratory and radiology services when these services are necessary for the diagnosis, monitoring, or treatment of a Member's mental health condition.
 - d) Emergency Medical Transportation services necessary to provide access to all Medi-Cal Covered Services, including emergency mental health services, as described in Title 22

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CCR Section 51323.

- e) All NEMT services, as provided for in Title 22 CCR Section 51323, required by Members to access Medi-Cal covered mental health and substance use disorder services. These services include outpatient opioid detoxification, tobacco cessation, and Alcohol Misuse Screening and Counseling (AMSC) services, and are subject to a written prescription by Contractor's mental health or substance use disorder Provider within Contractor's mental health and substance use disorder Provider Network.
- f) Medically Necessary Covered Services after Contractor has been notified by a Specialty Mental Health Provider that a Member has been admitted to an inpatient psychiatric facility, including an Institution for Mental Diseases (IMD) as defined by Title 9 CCR Section 1810.222.1, regardless of the age of the Member. These services include, but are not limited to:
 - i The initial health history and physical examination required upon admission and any consultations related to Medically Necessary Covered Services.
 - ii. Notwithstanding this requirement, Contractor shall not be responsible for room and board charges for psychiatric inpatient hospital stays by Members.
 - iii. When IMD services are provided to Members age 21 and under or age 65 and over, Contractor shall cover Skilled Nursing Facility (SNF) room and board. Contractor shall not cover other inpatient psychiatric facility/IMD room and board charges or other services that are reimbursed as part of the inpatient psychiatric facility/IMD per diem rate.
- g) All Medically Necessary Medi-Cal covered psychotherapeutic drugs for Members not otherwise excluded under this Contract.
 - i. This includes reimbursement for covered psychotherapeutic drugs prescribed by out-of-plan Network psychiatrists for Members.
 - ii. Contractor may require that covered prescriptions written by out-of-Network psychiatrists be filled by pharmacies in Contractor's Provider Network.

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- iii. Reimbursement to pharmacies for those psychotherapeutic drugs listed in the Medi-Cal Provider Manual, MCP: Two-Plan Model, Capitated/Noncapitated Drugs section, which lists excluded psychiatric drugs, shall be reimbursed through the Medi-Cal FFS program, whether these drugs are provided by a pharmacy contracting with Contractor or by an out-of-Network pharmacy Provider. To qualify for reimbursement under this provision, a pharmacy must be enrolled as a Medi-Cal Provider in the Medi-Cal FFS program.
- h) Paragraphs c), e), and f) above shall not be construed to preclude Contractor from: (1) requiring that Covered Services be provided through Contractor's Provider Network, to the extent possible, or (2) applying utilization review controls for these services, including prior authorization, consistent with Contractor's obligation to provide Covered Services under this Contract.
- 3) Contractor shall develop and implement a written internal policy and procedure to ensure that Members who need Specialty Mental Health Services (services outside the scope of practice of Primary Care Providers) are referred to and are provided mental health services by an appropriate Medi-Cal FFS mental health Provider or to the county mental health plan for Specialty Mental Health Services in accordance with Exhibit A, Attachment 11, Case Management and Coordination of Care, Provision 6. Specialty Mental Health.
- 4) Contractor shall establish and maintain mechanisms to identify Members who require non-covered psychiatric services and ensure appropriate referrals are made. Contractor shall continue to cover and ensure the provision of primary care and other services unrelated to the mental health treatment and coordinate services between the Primary Care Provider and the psychiatric service Provider(s). Contractor shall enter into a Memorandum of Understanding with the county mental health plan in accordance with Exhibit A, Attachment 12, Local Health Department Coordination, Provision 3. County Mental Health Plan Coordination.
- F. Tuberculosis (TB)
 - 1) TB screening, diagnosis, treatment and follow-up are covered under this Contract. Contractor shall provide TB care and treatment in compliance with the guidelines recommended by

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American Thoracic Society and the Centers for Disease Control and Prevention.

- 2) Contractor shall coordinate with Local Health Departments in the provision of direct observed therapy as required in Exhibit A, Attachment 11, Case Management and Coordination of Care, Provision 16. Direct Observed Therapy (DOT) for Treatment of Tuberculosis (TB) and Attachment 12, Local Health Department Coordination.

G. Pharmaceutical Services and Provision of Prescribed Drugs

- 1) Contractor shall cover and ensure the provision of all prescribed drugs and Medically Necessary pharmaceutical services. Contractor shall provide pharmaceutical services and Prescription Drugs in accordance with all federal and State laws and regulations including, but not limited to Title 22 CCR Sections 53214 and 53854, Title 16, Sections 1707.1, 1707.2, and 1707.3, 42 CFR 438.3(s), and Sections 1927(d)(5) and 1927(k)(2) of the Social Security Act. Prior authorization requirements for pharmacy services and provision of prescribed drugs must be clearly described in the Member Services Guide and Contractor's provider manual.
- 2) At a minimum, Contractor shall arrange for pharmaceutical services to be available during regular business hours.

Contractor's drug utilization review (DUR) systems should be comparable to such programs administered by the State, and are subject to requirements outlined in 42 CFR 438.3(s), Section 1927(g) of the Social Security Act, and 42 CFR 456, subpart K.

- 3) Contractor shall ensure access to at least a 72-hour supply of a covered outpatient drug in an emergency situation. Contractor shall meet this requirement by doing all of the following:
 - a) Having written policies and procedures, including, if applicable, written policies and procedures of Contractor's Network hospitals' policies and procedures related to emergency medication dispensing, which describe the method(s) that are used to ensure that the emergency medication dispensing requirements are met, including, if applicable, specific language in Network hospital subcontracts. Written policies and procedures must describe how Contractor and/or Contractor's Network hospitals will monitor compliance with the requirements. Compliance monitoring does not require verification of

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receipt of medications for each and every ER visit made by Members to an emergency room which does not result in hospitalization.

- b) Providing the Member, in all cases, access to at least a 72-hour supply of Medically Necessary drugs. This requirement can be met by providing a 72-hour supply of the drug to the Member, or provision of an initial dose of medication and a prescription for additional medication, which together cover the Member for the 72-hour period. Contractor's policies and procedures can describe other methods for ensuring compliance with the 72-hour requirement.
- c) Having a mechanism in place for informing Members of this requirement and of their right to submit a Grievance if they do not receive Medically Necessary medications in emergency situations.
- d) Having a procedure for investigating and resolving Grievances related to the failure of Contractor to provide Medically Necessary medications in emergency situations.
- e) Having policies and procedures and Grievance and Appeal logs available for inspection during any State audit or monitoring visit, upon request.

4) Continuity of Care

Contractor must maintain policies and procedures outlining continuity of care in compliance with the provisions of Welfare and Institutions Code 14185(b), and Health and Safety Code 1367.22. All newly enrolled Members shall be maintained on their current drug therapy, including non-formulary drugs without Prior Authorization until the Member is evaluated or re-evaluated by a Network Provider.

5) Formulary Requirements

Contractor shall post current formulary drug lists on Contractor's website in a machine readable file and format, and make a printed version available to Members upon request pursuant to 42 CFR 438.10(i). Contractor's drug formulary must meet the following requirements:

- a) Contractor shall submit to DHCS a complete formulary for

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review and approval, prior to use. Contractor shall also submit an annual formulary to DHCS for review and approval. Contractor may use the formulary as published until DHCS notifies the Contractor of approval or of required changes. In addition to the annual formulary submission, Contractor shall submit any changes to its formulary to DHCS as File and Use. DHCS may request an updated or current formulary at any time.

- b) Contractor's formulary shall be comparable to the Medi-Cal FFS contract drugs list (CDL), except for drugs carved out through specific contract agreements. Comparable means that:
 - i. Every therapeutic category or class listed on the Medi-Cal FFS CDL shall be represented by at least one (1) drug on Contractor's formulary within six (6) months of its inclusion. Therapeutic category or class is defined by the American Hospital Formulary Service pharmacologic therapeutic classification system to include all tiers of United States Pharmacopeia.
 - ii. If Contractor places Prior Authorization requirements on all drugs within the same therapeutic category, and one (1) such drug is available on the Medi-Cal FFS CDL without treatment authorization request requirements, Contractor shall submit the following for all drugs of that same mechanism of action:
 - a. Clinical rationale for such an action.
 - b. Criteria used to decide on the Prior Authorization request and/or how the approval criteria for the formulary option(s) differs from the non-formulary options.
 - iii. A drug not listed on the formulary must be available by Prior Authorization if deemed Medically Necessary.
 - iv. All drugs listed on the Medi-Cal FFS list need not be included in Contractor's formulary.
- 6) Contractor shall implement and maintain a process to ensure that its formulary is reviewed and updated no less than quarterly by Contractor's PTC. The PTC must include the following:

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- a) A majority of members who are practicing Physicians and/or practicing pharmacists;
- b) Contractor's Pharmacist as a voting member;
- c) At least one (1) practicing Physician and at least one (1) practicing pharmacist who are independent and free of conflict of interest from pharmaceutical manufacturers; and
- d) At least one (1) practicing Physician and one (1) practicing pharmacist who are experts regarding care of elderly or disabled Members.

This review and update of Contractor's formulary must consider all drugs approved by the FDA and/or added to the Medi-Cal FFS CDL. Deletions to the formulary must be documented and justified.

7) Drug Utilization Review (DUR)

Contractor shall develop and implement effective DURs and treatment outcome processes as directed in APL 17-008 to assure that drug utilization is appropriate, Medically Necessary, and not likely to result in adverse events.

- a) Contractor's DURs must meet or exceed the requirements described in Section 1927(g) of the Social Security Act and 42 CFR 456, Subpart K.
- b) Contractor shall annually submit to DHCS a detailed report in a format specified by DHCS on their DUR Program activities.
- c) Contractor's process should also ensure that DURs are appropriately conducted and that pharmacy service and drug utilization Encounter Data are provided to DHCS on a monthly basis.

8) Reimbursement to pharmacies for those drugs for the treatment of HIV/AIDS listed in the Medi-Cal Provider Manual, MCP: Two-Plan Model, shall be reimbursed through the Medi-Cal FFS program, whether these drugs are provided by a pharmacy contracting with Contractor or by an out-of-Network pharmacy Provider. To qualify for reimbursement under this provision, a pharmacy must be enrolled as a Medi-Cal Provider in the Medi-Cal FFS program.

9) Contractor shall not impose QTL or NQTL more stringently on mental health and substance use disorder drugs as compared to

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medical/surgical drugs prescriptions in accordance with 42 CFR 438.900 et. seq.

H. Transportation

Contractor shall cover transportation services as required in this Contract and directed in APL 17-010 to ensure Members have access to all Medically Necessary services.

- 1) Contractor shall cover Emergency Medical Transportation services necessary to provide access to all Medi-Cal Covered Services as described in Title 22 CCR Section 51323
- 2) Contractor shall cover NEMT services required by Members to access Medi-Cal services, as provided for in Title 22 CCR Section 51323, subject to Contractor's Physician Certification Statement form being completed by the Member's Provider. Contractor shall refer and coordinate NEMT for Medi-Cal services not covered in this Contract.
- 3) As provided for in W & I Code Section 14132(ad), Contractor shall authorize all NMT for Members to obtain Medically Necessary Covered Services in accordance with the requirements and guidelines set forth in APL 17-010. Nothing in this Provision should be construed to prohibit the Contractor from developing policies and procedures which may include Prior Authorization requirements for NMT. Contractor must also provide NMT for all Medi-Cal services not covered under this Contract. These services include, but are not limited to, specialty mental health, substance use disorder, dental, and any other benefits delivered through Medi-Cal FFS.

9. Investigational Services

Contractor shall provide investigational services as defined in Title 22 CCR Section 51056.1(b) when a service is determined to be investigational pursuant to Section 51056.1(c), and that all requirements in Section 51303(h) are clearly documented.

Exhibit A, Attachment 11
CASE MANAGEMENT AND COORDINATION OF CARE

1. Comprehensive Case Management Including Coordination of Care Services

Contractor shall ensure the provision of Comprehensive Medical Case Management to each Member.

Contractor shall maintain procedures for monitoring the coordination of care provided to Members, including but not limited to all Medically Necessary services delivered both within and outside the Contractor's Provider Network. These services are provided through either Basic or Complex Case Management activities based on the medical needs of the Member.

- A. Basic Case Management Services are provided by the Primary Care Provider, in collaboration with Contractor, and shall include:
 - 1) Initial Health Assessment (IHA);
 - 2) Individual Health Education Behavioral Assessment (IHEBA);
 - 3) Identification of appropriate Providers and facilities (such as medical, rehabilitation, and support services) to meet Member care needs;
 - 4) Direct communication between the Provider and Member/family;
 - 5) Member and family education, including healthy lifestyle changes when warranted; and
 - 6) Coordination of carved-out and linked services, and referral to appropriate community resources and other agencies.
- B. Complex Case Management Services are provided by Contractor, in collaboration with the Primary Care Provider, and shall include, at a minimum:
 - 1) Basic Case Management Services
 - 2) Management of acute or chronic illness, including emotional and social support issues by a multidisciplinary case management team
 - 3) Intense coordination of resources to ensure member regains optimal health or improved functionality
 - 4) With Member and PCP input, development of care plans specific to individual needs, and updating of these plans at least annually
- C. Contractor shall develop methods to identify Members who may benefit from complex case management services, using utilization data, the HIF/MET, clinical data, and any other available data, as well as self and physician referrals. Complex case management services for SPD beneficiaries must include the concepts of Person-Centered Planning.
- D. Person-Centered Planning for SPD Beneficiaries
 - 1) Upon the enrollment of a SPD beneficiary, Contractor shall provide, or ensure the provision of, Person-Centered Planning and treatment approaches that are collaborative and responsive to the SPD beneficiary's continuing health care needs.
 - 2) Person-Centered Planning shall include identifying each SPD

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beneficiary's preferences and choices regarding treatments and services, and abilities.

- 3) Contractor shall allow or ensure the participation of the SPD beneficiary, and any family, friends, and professionals of their choosing, to participate fully in any discussion or decisions regarding treatments and services.
- 4) Contractor shall ensure that SPD beneficiaries receive all necessary information regarding treatment and services so that they may make an informed choice.

2. Discharge Planning and Care Coordination

Contractor shall ensure the provision of discharge planning when a SPD beneficiary is admitted to a hospital or institution and continuation into the post discharge period. Discharge planning shall include ensuring that necessary care, services, and supports are in place in the community for the SPD beneficiary once they are discharged from a hospital or institution, including scheduling an outpatient appointment and/or conducting follow-up with the patient and/or caregiver. Minimum criteria for a discharge planning checklist must include:

- A. Documentation of pre-admission status, including living arrangements, physical and mental function, social support, Durable Medical Equipment (DME), and other services received.
- B. Documentation of pre-discharge factors, including an understanding of the medical condition by the SPD beneficiary or a representative of the SPD beneficiary as applicable, physical and mental function, financial resources, and social supports.
- C. Services needed after discharge, type of placement preferred by the SPD beneficiary/representative of the SPD beneficiary and hospital/institution, type of placement agreed to by the SPD beneficiary/representative of the SPD beneficiary, specific agency/home recommended by the hospital, specific agency/home agreed to by the SPD beneficiary/representative of the SPD beneficiary, and pre-discharge counseling recommended.
- D. Summary of the nature and outcome SPD beneficiary/representative of the SPD beneficiary involvement in the discharge planning process, anticipated problems in implementing post-discharge plans, and further action contemplated by the hospital/institution.

3. Targeted Case Management Services

Contractor is responsible for determining whether a Member requires Targeted Case Management (TCM) services, and must refer Members who are eligible for TCM services to a Regional Center or local governmental health program as appropriate for the provision of TCM services.

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If a Member is receiving TCM services as specified in Title 22 CCR Section 51351, Contractor shall be responsible for coordinating the Member's health care with the TCM Provider and for determining the Medical Necessity of diagnostic and treatment services recommended by the TCM Provider that are Covered Services under the Contract.

If Members under age 21 are not accepted for TCM services, Contractor shall ensure the Members' access to services are comparable to EPSDT TCM services per Exhibit A, Attachment 10, Scope of Services, Provision 5. Services for Members under Twenty-One (21) Years of Age.

4. Disease Management Program

Contractor is responsible for initiating and maintaining a disease management program. Contractor shall determine the program's targeted disease conditions and implement a system to identify and encourage Members to participate.

5. Out-of-Network Case Management and Coordination of Care

Contractor shall implement procedures to identify individuals who may need or who are receiving services from Out-of-Network Providers and/or programs in order to ensure coordinated service delivery and efficient and effective joint case management for services presented in Provisions 6 through 18 below.

6. Specialty Mental Health

A. Specialty Mental Health Services

- 1) All Specialty Mental Health Services (inpatient and outpatient) are excluded from this Contract.
- 2) Contractor shall make appropriate referrals for Members needing Specialty Mental Health Services as follows:
 - a) For those Members with a tentative psychiatric diagnosis which meets eligibility criteria for referral to the county mental health plan, as defined in PL 00-001 Revised and APL 13-021, the Member shall be referred to the county mental health plan in accordance with the Memorandum of Understanding (MOU) between Contractor and the county mental health plan and APL 13-018.
 - b) For those Members whose mental health-diagnosis is not covered by the county mental health plan because the adult Member's level of impairment is mild to moderate, or the recommended treatment for adult and child Members do not

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meet the criteria for Specialty Mental Health Services, the Member shall be referred to an appropriate Medi-Cal mental health Provider within Contractor's Provider Network. Contractor shall consult with the county mental health plan as necessary to identify other appropriate community resources and to assist the Member to locate available non-covered mental health services.

- 3) Disputes between Contractor and the county mental health plan regarding this section shall be addressed collaboratively within the Contract as specified by the MOU to achieve a timely and satisfactory resolution. If Contractor and the county mental health plan cannot agree, disputes shall be resolved pursuant to Title 9, CCR, Section 1850.505. Any decision rendered by DHCS regarding a dispute between Contractor and the county mental health plan concerning provision of mental health services or Covered Services required under this Contract shall not be subject to the dispute procedures specified in Exhibit E, Attachment 2, Provision 18 regarding Disputes.

B. County Mental Health Plan Coordination

Contractor shall execute a Memorandum of Understanding (MOU) with the county mental health plan as stipulated in Exhibit A, Attachment 12, Local Health Department Coordination, Provision 3. County Mental Health Plan Coordination for the coordination of Specialty Mental Health Services to Members.

7. Alcohol and Substance Use Disorder Treatment Services

Alcohol and substance use disorder treatment services available under Drug Medi-Cal program as defined in Title 22 CCR 51341.1, and outpatient heroin detoxification services defined in Title 22 CCR 51328 are excluded from this Contract. These Excluded Services include all medications used for the treatment of alcohol and substance use disorders covered by DHCS, as well as specific medications not currently covered by DHCS, but reimbursed through the Medi-Cal FFS Program.

Contractor shall identify individuals requiring alcohol and or substance use disorder treatment services and arrange for their referral to the county department responsible for substance use treatment, or other community resources when services are not available through counties, and to outpatient heroin detoxification Providers available through the Medi-Cal FFS program, for appropriate services. Contractor shall assist Members in locating available treatment service sites. To the extent that treatment slots are not available within the Contractor's Service Area, the Contractor shall pursue placement outside the area. Contractor shall continue to cover and ensure the provision of primary care

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and other services unrelated to the alcohol and substance use disorder treatment and coordinate services between the Primary Care Providers and the treatment programs.

Contractor shall execute a MOU with the county department for alcohol and substance use disorder treatment services.

8. Services for Children with Special Health Care Needs

Children with Special Health Care Needs (CSHCN) are defined as “those who have or are at increased risk for a chronic physical, behavioral, developmental, or emotional conditions and who also require health or related services of a type or amount beyond that required by children generally”.

Contractor shall implement and maintain a program for CSHCN which includes, but is not limited to, the following:

- A. Standardized procedures for the identification of CSHCN, at enrollment and on a periodic basis thereafter;
- B. Methods for ensuring and monitoring timely access to pediatric Specialists, sub-Specialists, ancillary therapists, and specialized equipment and supplies; these may include assignment to a Specialist as PCP, standing referrals, or other methods as defined by Contractor;
- C. Methods for ensuring that each CSHCN receives a comprehensive assessment of health and related needs, and that all Medically Necessary follow-up services are documented in the medical record, including needed referrals;
- D. A program for case management or care coordination for CSHCN, including coordination with other agencies which provide services for children with special health care needs (e.g. mental health, substance use disorder, Regional Center, CCS, local education agency, child welfare agency); and
- E. Methods for monitoring and improving the quality and appropriateness of care for children with special health care needs.

9. California Children's Services (CCS)

Services provided by the CCS program are not covered under this Contract. Upon adequate diagnostic evidence that a Medi-Cal Member under 21 years of age may have a CCS-eligible condition, Contractor shall refer the Member to the local CCS office for determination of eligibility.

- A. Contractor shall develop and implement written policies and procedures

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for identifying and referring children with CCS-eligible conditions to the local CCS program. The policies and procedures shall include, but not be limited, to those which:

- 1) Ensure that Contractor's Providers perform appropriate baseline health assessments and diagnostic evaluations which provide sufficient clinical detail to establish, or raise a reasonable suspicion, that a Member has a CCS-eligible medical condition;
 - 2) Assure that contracting Providers understand that CCS reimburses only CCS-paneled Providers and CCS-approved hospitals within Contractor's Network; and only from the date of referral;
 - 3) Enable initial referrals of Member's with CCS-eligible conditions to be made to the local CCS program by telephone, same-day mail or fax, if available. The initial referral shall be followed by submission of supporting medical documentation sufficient to allow for eligibility determination by the local CCS program.
 - 4) Ensure that Contractor continues to provide all Medically Necessary Covered Services to the Member until CCS eligibility is confirmed.
 - 5) Ensure that, once eligibility for the CCS program is established for a Member, Contractor shall continue to provide all Medically Necessary Covered Services that are not authorized by CCS and shall ensure the coordination of services and joint case management between its Primary Care Providers, the CCS specialty Providers, and the local CCS program.
 - 6) If the local CCS program does not approve eligibility, Contractor remains responsible for the provision of all Medically Necessary Covered Services to the Member. If the local CCS program denies authorization for any service, Contractor remains responsible for obtaining the service, if it is Medically Necessary, and paying for the service if it has been provided.
- B. Contractor shall execute a Memorandum of Understanding (MOU) with the local CCS program as stipulated in Exhibit A, Attachment 12, Provision 2, for the coordination of CCS services to Members.
- C. The CCS program authorizes Medi-Cal payments to Contractor Network physicians who currently are members of the CCS panel and to other Providers who provided CCS-covered services to the Member during the CCS-eligibility determination period who are determined to meet the CCS standards for paneling. Contractor shall inform Providers, except as noted above, that CCS reimburses only CCS paneled Providers. Contractor

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shall submit information to the CCS program on all Providers who have provided services to a Member thought to have a CCS-eligible condition.

Authorization for payment shall be retroactive to the date the CCS program was informed about the Member through an initial referral by Contractor or a Contractor Network physician, via telephone, fax, or mail. In an emergency admission, Contractor or Contractor Network physician shall be allowed until the next Working day to inform the CCS program about the Member. Authorization shall be issued upon confirmation of panel status or completion of the process described above.

10. Services for Persons with Developmental Disabilities

- A. Contractor shall develop and implement procedures for the identification of Members with developmental disabilities.
- B. Contractor shall maintain a dedicated liaison to coordinate with each regional center operating within the plan's service area to assist Members with developmental disabilities in understanding and accessing services and act as a central point of contact for questions, access and care concerns, and problem resolution as required by W & I Code Section 14182(c)(10).
- C. Contractor shall refer Members with developmental disabilities to a Regional Center for the developmentally disabled for evaluation and for access to those non-medical services provided through the Regional Centers, such as but not limited to, respite, out-of-home placement, and supportive living. Contractor shall participate with Regional Center staff in the development of the individual developmental services plan required for all persons with developmental disabilities, which includes identification of all appropriate services, including medical care services and Medically Necessary Outpatient Mental Health Services, which need to be provided to the Member.
- D. Services provided under the Home and Community-Based Services (HCBS) waiver programs to persons with developmental disabilities are not covered under this Contract. Contractor shall implement and maintain systems to identify Members with developmental disabilities that may meet the requirements for participation in this waiver and refer these Members to the HCBS Waiver program administered by the State Department of Developmental Services (DDS).

If DDS concurs with the Contractor's assessment of the Member and there is available placement in the waiver program, the Member will receive waiver services while enrolled in the plan. Contractor shall continue to provide all Medically Necessary Covered Services.

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- E. Contractor shall execute a Memorandum of Understanding (MOU) with the local Regional Centers as stipulated in Exhibit A, Attachment 12, Provision 2, for the coordination of services for Members with developmental disabilities.

11. Early Intervention Services

Contractor shall develop and implement systems to identify children who may be eligible to receive services from the Early Start program and refer them to the local Early Start program. These children would include those with a condition known to lead to developmental delay, those in whom a significant developmental delay is suspected, or whose early health history places them at risk for delay. Contractor shall collaborate with the local Regional Center or local Early Start program in determining the Medically Necessary diagnostic and preventive services and treatment plans for Members participating in the Early Start program. Contractor shall provide case management and care coordination to the Member to ensure the provision of all Medically Necessary covered diagnostic, preventive and treatment services identified in the individual family service plan developed by the Early Start program, with Primary Care Provider participation.

12. Local Education Agency Services

LEA assessment services are services specified in Title 22, CCR Section 51360(b) and provided to students who qualify based on Title 22 CCR Section 51190.1. LEA services provided pursuant to an Individual Education Plan as set forth in Education Code, Section 56340 et seq. or Individual Family Service Plan as set forth in Government Code Section 95020 are not covered under this Contract. However, the Contractor is responsible for providing a PCP and all Medically Necessary Covered Services for the Member, and shall ensure that the Member's PCP cooperates and collaborates in the development of the Individual Education Plan or the Individual Family Service Plan. Contractor shall provide case management and care coordination to the Member to ensure the provision of all Medically Necessary diagnostic, preventive and treatment services identified in the Individual Education Plan developed by the LEA, with Primary Care Provider participation.

13. School Linked CHDP Services

- A. Coordination of Care

Contractor shall maintain a "medical home" and ensure the overall coordination of care and case management of Members who obtain CHDP services through the local school districts or school sites.

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B. Cooperative Arrangements

Contractor shall enter into one or a combination of the following arrangements with the local school district or school sites:

- 1) Cooperative arrangements (e.g. Subcontracts) with school districts or school sites to directly reimburse schools for the provision of some or all of the CHDP services, including guidelines for sharing of critical medical information. The arrangements shall also include guidelines specifying coordination of services, reporting requirements, quality standards, processes to ensure services are not duplicated, and processes for notification to Member/student/parent on where to receive initial and follow-up services.
- 2) Cooperative arrangements whereby the Contractor agrees to provide or contribute staff or resources to support the provision of school linked CHDP services.
- 3) Referral protocols/guidelines between the Contractor and the school sites, which merely screen, for the need of CHDP services, including strategies for the Contractor to follow-up and document if services are being provided to the Member within the required State and Federal time frames.
- 4) Any innovative approach that the Contractor may develop to assure access to CHDP services and coordination with and support for school based health care services.

C. Subcontracts

Contractor shall ensure that the Subcontracts with the local school districts or school sites meet the requirements of Exhibit A, Attachment 6, Provision 13, regarding Subcontracts, and address the following: the population covered, beginning and end dates of the agreement, services covered, practitioners covered, outreach, information dissemination, educational responsibilities, utilization review requirements, referral procedures, medical information flows, patient information confidentiality, quality assurance interface, data reporting requirements, and Grievance and Appeal procedures.

14. Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS)

Services provided under the HIV/AIDS Home and Community Based Services Waiver Program are not covered under this Contract. Contractor shall maintain procedures for identifying Members who may be eligible for the HIV/AIDS Home

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and Community Based Services Waiver Program and shall facilitate referrals of these Members to the HIV/AIDS Home and Community Based Services Waiver Program.

Medi-Cal beneficiaries enrolled in Medi-Cal Managed Care Health Plans who are subsequently diagnosed with HIV/AIDS, according to the definition most recently published in the Mortality and Morbidity Report from the Centers for Disease Control and Prevention, may participate in the HIV/AIDS Home and Community Based Services Waiver Program without having to disenroll from their Medi-Cal managed care plan. Members of Medi-Cal managed care plans must meet the eligibility requirements of the HIV/AIDS Home and Community Based Services Medi-Cal Waiver Program and enrollment is dependent on available space. Persons already enrolled in the HIV/AIDS Home and Community Based Services Medi-Cal Waiver Program may voluntarily enroll in a Medi-Cal managed care health plan.

15. Dental

Contractor shall cover and ensure that dental screenings/oral health assessments for all Members are included as a part of the IHA. For Members under 21 years of age, Contractor is responsible for ensuring that a dental screening/oral health assessment shall be performed as part of every periodic assessment, with annual dental referrals made with the eruption of the child's first tooth or at 12 months of age, whichever occurs first. Contractor shall ensure that Members are referred to appropriate Medi-Cal dental Providers. Contractor shall provide Medically Necessary Federally Required Adult Dental Services (FRADs) and fluoride varnish, dental services that may be performed by a medical professional. Dental services that are exclusively provided by dental providers are not covered under this Contract.

Contractor shall ensure the provision of covered medical services related to dental services that are not provided by dentists or dental anesthetists. Covered medical services include: contractually covered Prescription Drugs; laboratory services; and, pre-admission physical examinations required for admission to an out-patient surgical service center or an in-patient hospitalization required for a dental procedure (including facility fees and anesthesia services for both inpatient and outpatient services). Contractor may require Prior Authorization for medical services required in support of dental procedures.

If the Contractor requires Prior Authorization for these services, Contractor shall develop and publish the procedures for obtaining Prior Authorization to ensure that services for the Member are not delayed. Contractor shall submit such procedures to DHCS for review and approval.

16. Direct Observed Therapy (DOT) for Treatment of Tuberculosis (TB)

A. DOT is offered by LHDs and is not covered under this Contract.

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Contractor shall assess the risk of noncompliance with drug therapy for each Member who requires placement on anti-tuberculosis drug therapy.

The following groups of individuals are at risk for non-compliance for the treatment of TB: Members with demonstrated multiple drug resistance (defined as resistance to Isoniazid and Rifampin); Members whose treatment has failed or who have relapsed after completing a prior regimen; children and adolescents; and, individuals who have demonstrated noncompliance (those who failed to keep office appointments). Contractor shall refer Members with active TB and who have any of these risks to the TB Control Officer of the LHD for DOT.

Contractor shall assess the following groups of Members for potential noncompliance and for consideration for DOT: substance users, persons with mental illness, the elderly, persons with unmet housing needs, and persons with language and/or cultural barriers. If, in the opinion of Contractor's Providers, a Member with one or more of these risk factors is at risk for noncompliance, the Member shall be referred to the LHD for DOT.

Contractor shall provide all Medically Necessary Covered Services to the Member with TB on DOT and shall ensure joint case management and coordination of care with the LHD TB Control Officer.

- B. Contractor shall execute a MOU with the LHD as stipulated in Exhibit A, Attachment 12, Provision 2, for the provision of DOT.

17. Women, Infants, and Children (WIC) Supplemental Nutrition Program

- A. WIC services are not covered under this Contract. However, Contractor shall have procedures to identify and refer eligible Members for WIC services. As part of the referral process, Contractor shall provide the WIC program with a current hemoglobin or hematocrit laboratory value. Contractor shall also document the laboratory values and the referral in the Member's medical record.

Contractor, as part of its IHA of Members, or, as part of the initial evaluation of newly pregnant women, shall refer and document the referral of pregnant, breastfeeding, or postpartum women or a parent/guardian of a child under the age of five (5) to the WIC program as mandated by 42 CFR 431.635(c).

- B. Contractor shall execute a MOU with the WIC program as stipulated in Exhibit A, Attachment 12, Provision 2, for services provided to Members through the WIC program.

18. Excluded Services Requiring Member Disenrollment

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Contractor shall continue to cover and ensure that all Medically Necessary services are provided to Members who must disenroll and receive major organ transplants through the Medi-Cal FFS program until the date of disenrollment is effective.

A. Major Organ Transplants

Except for kidney transplants, major organ transplant procedures that are Medi-Cal FFS benefits are not covered under the Contract. When a Member is identified as a potential major organ transplant candidate, Contractor shall refer the Member to a Medi-Cal approved transplant center. If the transplant center physician considers the Member to be a suitable candidate, the Contractor shall submit a Prior authorization Request to either the San Francisco Medi-Cal Field Office (for adults) or the CCS Program (for children) for approval. Contractor shall initiate disenrollment of the Member when all of the following has occurred: referral of the Member to the organ transplant facility; the facility's evaluation has concurred that the Member is a candidate for major organ transplant and, the major organ transplant is authorized by either DHCS' Medi-Cal Field Office (for adults) or the CCS Program (for children).

B. Contractor shall continue to provide all Medically Necessary Covered Services until the Member has been disenrolled.

Upon the disenrollment effective date, Contractor shall ensure continuity of care by transferring all of the Member's medical documentation to the transplant physician. The effective date of the disenrollment will be retroactive to the beginning of the month in which the Member was approved as a major organ transplant candidate. The request for reimbursement for services in the month during which the transplant is approved are to be sent by the Provider directly to the Medi-Cal FFS fiscal intermediary. The Capitation Payment for the Member will be recovered from the Contractor by DHCS.

C. If the Member is evaluated and determined not to be a candidate for a major organ transplant or DHCS denies authorization for a transplant, the Member will not be disenrolled. Contractor shall cover the cost of the evaluation performed by the Medi-Cal approved transplant center.

19. Immunization Registry Reporting

Contractor shall ensure that member-specific immunization information is periodically reported to an immunization registry(ies) established in Contractor's Service Area(s) as part of the Statewide Immunization Information System. Reports shall be made following the Member's IHA and all other health care visits which result in an immunization being provided. Reporting shall be in

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accordance with all applicable State and Federal laws.

20. Erectile Dysfunction (ED) Drugs and Other ED Therapies

Erectile dysfunction drugs and other ED therapies are excluded from this Contract. These excluded drugs include all drugs used for the treatment of ED that are listed in the Medi-Cal Pharmacy Provider Manual in the Erectile Dysfunction Treatment Drug listings. The drugs listed in the Medi-Cal Pharmacy Provider Manual are not reimbursed by the Medi-Cal Fee-For-Service program.

Contractor shall assist Members requiring ED drugs or therapies in locating available treatment service sites and arranging for referral for appropriate services. Contractor shall continue to cover and ensure the provision of primary care and other services unrelated to the ED drugs or ED therapies and coordinate services between the Primary Care Providers and the treatment programs.

21. Waiver Programs

DHCS administers a number of Medi-Cal Home and Community Based Services (HCBS) Waiver programs authorized under Section 1915(c) of the Social Security Act. Contractor shall have procedures in place to identify Members who may benefit from the HCBS Waiver programs, and refer Members to the agency administering the waiver program. These waiver programs include, but are not limited to, the nursing facility/acute hospital waiver and all HCBS waivers. If the agency administering the waiver program concurs with Contractor's assessment of the Member and there is available placement in the waiver program, the Member will receive HCBS waiver services while remaining enrolled with Contractor. Contractor shall continue comprehensive case management and shall continue to cover all Medically Necessary Covered Services to the Member. If the Member does not meet the criteria for the HCBS Waiver Program, or if placement is not available, Contractor shall continue to case manage and provide all Medically Necessary covered Services to the Member.

Exhibit A, Attachment 12
LOCAL HEALTH DEPARTMENT COORDINATION

1. Subcontracts

Contractor shall negotiate in good faith and execute a Subcontract for public health services listed in Paragraph A through Paragraph D below with the Local Health Department (LHD) in each county that is covered by this Contract. The Subcontract shall specify: the scope and responsibilities of both parties in the provision of services to Members; billing and reimbursements; reporting responsibilities; and how services are to be coordinated between the LHD and the Contractor, including exchange of medical information as necessary. The Subcontract shall meet the requirements contained in Exhibit A, Attachment 6, Provision 13, regarding Subcontracts.

- A. Family Planning Services: as specified in Exhibit A, Attachment 8, Provision 9.
- B. STD services for the disease episode, as specified in Exhibit A, Attachment 8, Provision 10, by DHCS, for each STD, including diagnosis and treatment of the following STDs: syphilis, gonorrhea, chlamydia, herpes simplex, chancroid, trichomoniasis, human papilloma virus, non-gonococcal urethritis, lymphogranuloma venereum and granuloma inguinale.
- C. HIV Testing and Counseling as specified in Exhibit A, Attachment 8, Provision 11.
- D. Immunizations as specified in Exhibit A, Attachment 8, Provision 12.

To the extent that Contractor does not meet this requirement on or before four (4) months after the effective date of this Contract, Contractor shall submit documentation substantiating reasonable efforts to enter into Subcontracts.

2. Subcontracts or Memoranda of Understanding

If reimbursement is to be provided for services rendered by the following programs or agencies, Contractor shall execute a Subcontract with the LHD or agency as stipulated in Provision 1 above. If no reimbursement is to be made, Contractor or agency shall negotiate in good faith and execute a Memorandum of Understanding (MOU) for services provided by these programs and agencies.

- A. California Children Services (CCS)
- B. Maternal and Child Health (MCH)
- C. Child Health and Disability Prevention (CHDP) Program
- D. Tuberculosis Direct Observed Therapy

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LOCAL HEALTH DEPARTMENT COORDINATION**

- E. Women, Infants, and Children (WIC) Supplemental Nutrition Program
- F. Regional Centers for services for persons with developmental disabilities.
- G. Local Governmental Agencies for Targeted Case Management services.
- H. County department for alcohol and substance use disorder treatment services.
- I. The county In-Home Support Services (IHSS) office and IHSS Public Authority.

3. County Mental Health Plan Coordination

- A. Contractor shall negotiate in good faith and execute a MOU with the county mental health plan (MHP) in accordance with Welfare and Institutions Code Section 14715. The MOU shall specify, consistent with this Contract, the respective responsibilities of Contractor and the MHP in delivering Medically Necessary Covered Services and Specialty Mental Health Services to Members. The MOU shall address:
 - 1) Protocols and procedures for referrals between Contractor and the MHP;
 - 2) Protocols for the delivery of Specialty Mental Health Services, including the MHP's provision of clinical consultation to Contractor for Members being treated by Contractor for mental illness;
 - 3) Protocols for the delivery of mental health services within the Primary Care Provider's scope of practice;
 - 4) Protocols and procedures for the exchange of medical records information, including procedures for maintaining the confidentiality of medical records;
 - 5) Procedures for the delivery of Medically Necessary Covered Services to Members who require Specialty Mental Health Services, including:
 - a) Pharmaceutical services and Prescription Drugs;
 - b) Laboratory, radiological and radioisotope services;
 - c) Emergency room facility charges and professional services;
 - d) Emergency Medical Transportation and NEMT;

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LOCAL HEALTH DEPARTMENT COORDINATION

- e) Home health services;
 - f) Medically Necessary Covered Services to Members who are patients in psychiatric inpatient hospitals.
 - 6) Procedures for transfers between inpatient psychiatric services and inpatient medical services to address changes in a Member's medical or mental health condition;
 - 7) Procedures to resolve disputes between Contractor and the MHP.
4. Any MOU that Contractor enters into with the county IHSS office and IHSS Public Authority shall be submitted to DHCS for prior approval at least 60 calendar days prior to the effective date of the MOU. DHCS shall acknowledge in writing the receipt of any material sent to DHCS by Contractor for approval within five (5) working days of receipt.
- 1) These MOUs shall not become effective until written approval is provided by DHCS and the California Department of Social Services (CDSS) or by operation of law where DHCS has acknowledged receipt of the proposed MOU, and has neither approved nor rejected the proposed MOU within 60 calendar days of receipt.
 - 2) Any new or updated MOU that makes a material change to the MOU must be re-submitted to DHCS. Previous MOU approval shall be valid only until such time as the new or amended MOU is approved by DHCS and CDSS.

5. MOU Monthly Reports

To the extent Contractor does not execute an MOU within four (4) months after the effective date of this Contract, Contractor shall submit documentation substantiating its good faith efforts to enter into an MOU. Until such time as an MOU is executed, Contractor shall submit monthly reports to DHCS documenting its continuing good faith efforts to execute an MOU and the justifications why such an MOU has not been executed.

**Exhibit A, Attachment 13
MEMBER SERVICES**

1. Members Rights and Responsibilities

A. Member Rights and Responsibilities

Contractor shall develop, implement and maintain written policies that address the Member's rights and responsibilities and shall communicate these to its Members, Providers, and, upon request, Potential Enrollees.

- 1) Contractor's written policies regarding Member rights shall include the following:
 - a) To be treated with respect, giving due consideration to the Member's right to privacy and the need to maintain confidentiality of the Member's medical information.
 - b) To be provided with information about the organization and its services.
 - c) To be able to choose a Primary Care Provider within the Contractor's Network.
 - d) To participate in decision making regarding their own health care, including the right to refuse treatment.
 - e) To voice Grievances, either verbally or in writing, about the organization or the care received.
 - f) To receive oral interpretation services for their language.
 - g) To formulate advance directives.
 - h) To have access to family planning services, Federally Qualified Health Centers, American Indian Health Service Programs, sexually transmitted disease services and emergency services outside the Contractor's Network pursuant to the federal law.
 - i) To request a State Medi-Cal fair hearing, including information on the circumstances under which an expedited fair hearing is possible.
 - j) To have access to, and where legally appropriate, receive copies of, amend or correct their Medical Record.
 - k) To change Medi-Cal Managed Care Health Plans upon request, if applicable.
 - l) To access Minor Consent Services.
 - m) To receive written Member informing materials in alternative formats, including Braille, large size print, and audio format upon request and in accordance with W & I Code Section 14182 (b)(12).
 - n) To be free from any form of restraint or seclusion used as a means of coercion, discipline, convenience, or retaliation.
 - o) To receive information on available treatment options and alternatives, presented in a manner appropriate to the

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MEMBER SERVICES**

- Member's condition and ability to understand.
 - p) To receive a copy of his or her medical records, and request that they be amended or corrected, as specified in 45 CFR §164.524 and 164.526.
 - q) Freedom to exercise these rights without adversely affecting how they are treated by Contractor, Providers, or the State.
 - r) To file a request for an Appeal of an action within 60 days of the date on a NOA.
- 2) Contractor's written policy regarding Member responsibilities shall include providing accurate information to the professional staff, following instructions, and cooperating with the Providers.

B. Members' Right to Confidentiality

Contractor shall implement and maintain policies and procedures to ensure the Members' right to confidentiality of medical information.

- 1) Contractor shall ensure that Facilities implement and maintain procedures that guard against disclosure of confidential information to unauthorized persons inside and outside the Network.
- 2) Contractor shall counsel Members on their right to confidentiality and Contractor shall obtain Member's consent prior to release of confidential information, unless such consent is not required pursuant to Title 22 CCR Section 51009.

C. Members' Rights to Advance Directives

Contractor shall implement and maintain written policies and procedures respecting advance directives in accordance with the requirements of 42 CFR 422.128 and 42 CFR 438.3(j).

2. Member Services Staff

- A. Contractor shall maintain the capability to provide Member services to Medi-Cal Members or Potential Enrollees through sufficient assigned and knowledgeable staff.
- B. Contractor shall ensure Member services staff are trained on all contractually required Member or Potential Enrollee service functions including, policies, procedures, and scope of benefits of this Contract.

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- C. Contractor shall ensure that Member Services staff provides necessary support to Members with chronic conditions (such as asthma, diabetes, congestive heart failure) and disabilities, including assisting Members with Grievance and Appeal resolution, access barriers, and disability issues and referral to appropriate clinical services staff.
- D. Contractor shall ensure that Member Services staff will refer Potential Enrollees to the DHCS enrollment broker, Health Care Options (HCO) when Potential Enrollees make a request for enrollment with Contractor.

3. Call Center Reports

Contractor shall report quarterly, in a format to be approved by DHCS, the number of calls received by call type (questions, Grievance and Appeals, access to services, request for health education, etc.); the average speed to answer Member services telephone calls with a live voice; and the Member services telephone calls abandonment rate.

4. Written Member Information

- A. Contractor shall provide all new Medi-Cal Members, and Potential Enrollees upon request only, with Member information as specified in Title 22 CCR Section 53895 and as stated in this Provision. Compliance with items required by Section 53895(b) may be met through distribution of the Member Services Guide.

The Member Services Guide shall meet the requirements of an enrollee handbook in 42 CFR 438.10(g), and an Evidence of Coverage and Disclosure Form (EOC/DF) as stipulated by Title 28, CCR, Sections 1300.51(d), Exhibit T (EOC) or U (Combined EOC/DF) and Title 22 CCR Section 53881. In addition, the Member Services Guide shall meet the requirements contained in 42 CFR 438.10(d), and Health and Safety Code, Section 1363, as to print size, readability, and understandability of text.

- B. Contractor shall provide the Member information no later than seven (7) calendar days after the effective date of the Member's enrollment. Contractor shall revise this information, if necessary, and distribute it annually to each Member or family unit. To provide Member information in any format other than as printed materials, including but not limited to in electronic format or upon request, Contractor must submit their process to DHCS for review and approval before implementing.
- C. Contractor shall ensure that all Member information is provided to Members at a sixth grade reading level or as determined appropriate

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through Contractor's GNA and approved by DHCS. Member information shall ensure Members' understanding of Contractor's processes and the Member's ability to make informed health decisions.

- D. Member information shall include the Member Services Guide, provider directory, significant mailings and notices, and any notices related to Grievances, actions, and Appeals. All Member information shall be in a format that is easily understood and in a font size no smaller than 12-point, pursuant to 42 CFR 438.10.
- 1) Member information shall be translated into the identified threshold and concentration languages discussed in Exhibit A, Attachment 9, Provision 13, Linguistic Services.
 - 2) Member information shall be provided in alternative formats (including Braille, large-size print font no smaller than 18-point, or audio format) and through Auxiliary Aids at no cost, upon request, and in a timely fashion appropriate for the format being requested and taking into consideration the special needs of Members with disabilities or LEP.
 - 3) Contractor shall establish policies and procedures to enable Members to make a standing request to receive all Member information in a specified threshold language or alternative format.
 - 4) Member information shall include taglines and information on how to request Auxiliary Aids and services, including materials in alternative formats, in large print font no smaller than 18-point, and in all State threshold languages as required in this Provision. The taglines shall explain the availability of written Member information translated in that language or oral interpretation to understand the information provided, and the toll-free and TTY/TDD telephone number for Contractor's Member services.
- E. Provider Directory
- 1) Contractor shall furnish its Medi-Cal provider directory to all Members and make available to DHCS for distribution as needed.
 - 2) Contractor's provider directory shall be made available in both a paper and electronic form. Provider directory information shall be included with Contractor's written Member information for new Members, and thereafter available upon request. Electronic provider directories shall be posted on Contractor's web site in a machine readable file and format.

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- 3) Contractor shall submit a complete provider directory to DHCS for review and approval prior to initial operations.
- 4) Contractor shall update its paper and electronic provider directories in accordance with 42 CFR 438.10(h)(3) and submit updated complete directories to DHCS as File and Use. DHCS may ask for changes at any time.
- 5) Contractor's provider directory is reviewed every six (6) months by DHCS. Findings shall be addressed immediately by Contractor.
- 6) Provider directories shall be compliant with 42 CFR 438.10(h) and Health and Safety Code 1367.27, and shall include the following information for PCPs, Specialists, hospitals, pharmacies, behavioral health Providers, MLTSS Providers as appropriate, and any other Providers contracted for Medi-Cal Covered Services:
 - a) The Provider or site's name and any group affiliation, NPI number, address, telephone number, and, if applicable, web site URL for each service location, and Provider specialty as appropriate;
 - b) For a medical group/foundation or IPAs, the medical group/foundation or IPA name, NPI number, address, telephone number, and, if applicable, web site URL shall appear for each Physician Provider;
 - c) The hours and days when each service location is open;
 - d) The services and benefits available, including accessibility symbols approved by DHCS and whether the office/facility (exam room(s), equipment, etc.) can accommodate Members with physical disabilities;
 - e) The Provider's cultural and linguistic capabilities, including whether non-English languages and American Sign Language are offered either by the Provider or a skilled medical interpreter at the Provider's facility, and if the Provider has completed cultural competence training;
 - f) The telephone number to call after normal business hours; and
 - g) Identification of Providers or sites that are not available to all or new Members.

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- F. Contractor shall provide each Member, or family unit, a Member Services Guide that constitutes a fair disclosure of the provisions of, and the right to obtain, available and accessible covered health care services. DHCS shall provide Contractor with a template for the Member Services Guide prior to distribution to Members. Contractor shall submit a complete Member Services Guide to DHCS for review and approval prior to implementing. Contractor shall ensure that the Member Services Guide includes the following information:
- 1) The plan name, address, toll-free telephone number(s) for Member services and any other Contractor staff providing services directly to Members, and service area covered by the health plan.
 - 2) A description of the full amount, duration, and scope of Medi-Cal Managed Care covered benefits and all available services including health education, interpretive services provided by Contractor's personnel and at service sites, and an explanation of "carve out" services and any service limitations and exclusions from coverage or charges for services. Include information and identification of services to which the Contractor or Subcontractor has a moral objection to perform or support.
 - 3) Procedures for accessing Covered Services, which explain that Covered Services shall be obtained through Contractor's Providers unless otherwise allowed under this Contract, and the process for Members selecting and changing their PCP. Include any applicable Subcontractor arrangements that may restrict access.
 - 4) A description of the Member identification card issued by the Contractor, if applicable, and an explanation as to its use in authorizing or assisting Members to obtain services.
 - 5) Procedures for selecting or requesting a change in PCP at any time; any requirements that a Member would have to change PCP; reasons for which a request for a specific PCP may be denied; and reasons why a Provider may request a change.
 - 6) The purpose and value of scheduling an IHA appointment.
 - 7) The appropriate use of health care services in a managed care system.
 - 8) The availability and procedures for obtaining after hours services (24-hour basis) and care, including the appropriate Provider locations and telephone numbers. This shall include an explanation of the Members' right to interpretive services, at no

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cost, to assist in receiving after hours services.

- 9) Definition of what constitutes an emergency medical condition, emergency health care and post-stabilization services, in accordance with 42 CFR 438.10(g)(2)(v), and that Prior Authorization is not required to receive emergency services. Include the use of 911 for obtaining emergency services.
- 10) The right to receive emergency health care in any hospital or other setting, including at least a 72-hour supply of Medically Necessary medication in an emergency situation. Also include procedures for obtaining emergency health care from specified Network Providers or from Out-of-Network Providers, including outside of Contractor's Service Area.
- 11) Process for referral to Specialists in sufficient detail so Member can understand how the process works, including timeframes.
- 12) Procedures for obtaining any transportation services to service sites that are offered by Contractor or available through the Medi-Cal program, and how to obtain such services. Include a description of both medical transportation and NMT services and the conditions under which transportation is available.
- 13) The right, and procedures, to file a Grievance and request an Appeal with Contractor, either orally, in writing, or over the phone, including procedures to Appeal decisions that deny, delay or modify a Member's request for services. Include the toll-free telephone number a Member can use to file a Grievance or request an Appeal, and the title, address, and telephone number of the person responsible for processing and resolving Grievances and Appeals and providing assistance completing the request. Information regarding the process shall include the requirements for timeframes to file a Grievance or request an Appeal, notification that an oral request for an Appeal of an action should be followed by a written request for an Appeal, and timelines for the Contractor to acknowledge receipt of Grievances and Appeals, to resolve Grievances and Appeals, and to notify the Member of the resolution of Grievances or Appeals. Contractor shall inform the Member that services previously authorized by Contractor will continue while the Appeal is being resolved.
- 14) The causes for which a Member shall lose entitlement to receive services under this Contract as stipulated in Exhibit A, Attachment 16, Provision 3, Disenrollment.

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- 15) Procedures for disenrollment, including an explanation of the Member's right to disenroll without cause at any time, subject to any restricted disenrollment period.
- 16) Information on the Member's right to the Medi-Cal State Fair Hearing process, the method for obtaining a Hearing, the timeframe to request a Hearing, and the rules that govern representation in a Hearing. Include information on the circumstances under which an expedited State Fair Hearing is possible and information regarding assistance in completing the request pursuant to Title 22 CCR Section 53452, when a health care service requested by the Member or Provider has been denied, deferred or modified. Information on State Fair Hearings shall also include information on the timelines which govern a Member's right to a State Fair Hearing, pursuant to Welfare and Institutions Code Section §10951 and the State of California Department of Social Services' Public Inquiry and Response Unit toll-free telephone number (1-800-952-5253) to request a State Fair Hearing. Information shall include that services previously authorized by the Contractor will continue while the State Fair Hearing is being resolved if the Member requests a Hearing in the specified timeframe.
- 17) Information on the availability of, and procedures for obtaining, services at FQHCs and American Indian Health Service Programs.
- 18) Information on the Member's right to seek family planning services from any qualified Provider of family planning services under the Medi-Cal program, including Providers outside Contractor's Provider Network, how to access these services, that a referral is not necessary, and a description of the limitations on the services that Members may seek outside the plan. Contractor may use the following statement:

Family planning services are provided to Members of childbearing age to enable them to determine the number and spacing of children. These services include all methods of birth control approved by the Federal Food and Drug Administration. As a Member, you pick a doctor who is located near you and will give you the services you need. Our Primary Care Physicians and OB/GYN Specialists are available for family planning services. For family planning services, you may also pick a doctor or clinic not connected with [Plan Name (Contractor)] without having to get permission from [Plan Name (Contractor)]. [Plan Name (Contractor)] shall pay that doctor or clinic for the family planning services you get.

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- 19) Procedures for providing female Members with direct access to a women's health Specialist within the Network for covered care necessary to provide women's routine and preventive health care services. This is in addition to the Member's designated source of primary care if that source is not a woman's health Specialist.
- 20) The Department of Social Services (DSS) Office of Family Planning toll-free telephone number (1-800-942-1054) providing consultation and referral to family planning clinics.
- 21) Information on the availability of, and procedures for obtaining, Certified Nurse Midwife and Certified Nurse Practitioner services, pursuant to Exhibit A, Attachment 9, Provision 7. Nurse Midwife and Nurse Practitioner Services.
- 22) Information on the availability of transitional Medi-Cal eligibility and how the Member may apply for this program. Contractor shall include this information with all Member Service Guides sent to Members after the date such information is furnished to Contractor by DHCS.
- 23) Information on how to access State resources for investigation and resolution of Member complaints, including a description of the DHCS Medi-Cal Managed Care Ombudsman Program and toll-free telephone number (1-888-452-8609), and the DMHC, Health Maintenance Organization (HMO) Consumer Service toll-free telephone number (1-800-400-0815).
- 24) Information concerning the provision and availability of services covered under the CCS program from Providers outside Contractor's Provider Network and how to access these services.
- 25) An explanation of the expedited disenrollment process for Members qualifying under conditions specified under Title 22 CCR Section 53889(j) which includes children receiving services under the Foster Care or Adoption Assistance Programs; Members with special health care needs, including, but not limited to major organ transplants; and Members already enrolled in another Medi-Cal, Medicare or commercial managed care plan.
- 26) Information on how to obtain Minor Consent Services through Contractor's Provider Network, an explanation of those services, and information on how they can also be obtained out of the Contractor's Provider Network.
- 27) An explanation on how to use the FFS system when Medi-Cal

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Covered Services are excluded or limited under this Contract and how to obtain additional information.

- 28) An explanation of an American Indian Member's right to not enroll in a Medi-Cal Managed Care plan, to be able to access American Indian Health Service Programs, to choose an American Indian Health Care Provider within Contractor's Network as a Primary Care Provider, and to disenroll from Contractor's plan at any time, without cause.
- 29) A notice regarding the positive benefits of organ donations and how a Member can become an organ or tissue donor. Pursuant to California Health and Safety Code Section 7158.2, this notice must be provided upon enrollment and annually thereafter in the evidence of coverage (Member Services Guide), health plan newsletter or any other direct communication with Members.
- 30) A statement as to whether the Contractor uses Provider financial bonuses or other incentives with its contracting Providers of health care services and that the Member may request additional information about these bonuses or incentives from the plan, the Member's Provider or the Provider's medical group or independent practice association, pursuant to California Health and Safety Code, Section 1367.10.
- 31) Contractor's drug formulary information notice. Pursuant to California Health and Safety Code, Section 1363.01, and 42 CFR 438.10(d)(6) and (i), the drug formulary information notice shall: (1) be in an easily understood language and format; (2) include an explanation of what a formulary is, which medications are covered, both generic and name brand, what tier each medication is on, how the plan decides which Prescription Drugs are included in or excluded from the formulary, and how often the formulary is updated; (3) indicate that the drug formulary is available on Contractor's website in a machine readable file, available in a hard copy, and provide the telephone number for requesting this information; and (4) indicate that the presence of a drug on the plan's formulary does not guarantee that a Member will be prescribed that drug by his or her prescribing Provider for a particular medical condition.
- 32) Policies and procedures regarding a Members' right to formulate advance directives. This information shall include the Member's right to be informed by the Contractor of State law regarding advance directives, and to receive information from the Contractor regarding any changes to that law. The information shall reflect

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changes in State law regarding advance directives as soon as possible, but no later than 90 calendar days after the effective date of change.

- 33) Instructions on how a Member can view online, or request a copy of, Contractor's non-proprietary clinical and administrative policies and procedures.
- 34) That oral interpreter services are available for any language spoken by the Member, and written translations of Member materials are available in the identified threshold languages, both free of charge, with instruction on how to access these services.
- 35) That Auxiliary Aids and services are available upon request and at no cost for Members with disabilities, and how to access these services. Include taglines in large-size print font no smaller than 18-point, on how to request Auxiliary Aids and Member information in alternative formats.
- 36) Information on how to report suspected fraud or abuse.
- 37) Any other information determined by DHCS to be essential for the proper receipt of Covered Services.

G. Member Identification Card

Contractor shall provide an identification card to each Member, which identifies the Member and authorizes the provision of Covered Services to the Member. The card shall specify that emergency services rendered to the Member by non-contracting Providers are reimbursable by the Contractor without prior authorization.

5. Notification of Changes in Access to Covered Services

- A. Contractor shall ensure Medi-Cal Members are notified in writing of any changes in the availability or location of Covered Services, or any other changes in information listed in 42 CFR Section 438.10(g), at least 30 calendar days prior to the effective date of such changes. In the event of an emergency or other unforeseeable circumstances, Contractor shall provide notice of the emergency or other unforeseeable circumstance to DHCS as soon as possible. The notification must also be presented to and approved in writing by DHCS prior to its release.
- B. Pursuant to 42 CFR 438.10(f)(1) Contractor shall make a good faith effort to give written notice of termination of a contracted Provider within 15 calendar days after receipt or issuance of the termination notice to each

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Member who received his or her primary care from, or was seen on a regular basis by, the terminated Provider. This notification must also be presented to and approved in writing by DHCS prior to its release.

6. Primary Care Provider Selection

- A. Contractor shall implement and maintain DHCS approved procedures to ensure that each new Member has an appropriate and available Primary Care Physician.
 - 1) Contractor shall provide each new Member an opportunity to select a Primary Care Physician within the first 30 calendar days of enrollment.
 - 2) Contractor may allow Members to select a clinic that provides primary care.
 - 3) If the Contractor's Provider Network includes Nurse Practitioners, Certified Nurse Midwives, or Physician Assistants, the Member may select a Nurse Practitioner, Certified Nurse Midwife, or Physician Assistant within 30 calendar days of enrollment to provide Primary Care services in accordance with Title 22 CCR Section 53853(a)(4).
 - 4) Contractor shall provide a mechanism for SPD beneficiaries to select a Specialist or clinic that meets DHCS subcontracting requirements as stated in Attachment 6 of this contract as a Primary Care Physician if the Specialist or clinic agrees to serve as a Primary Care Provider and is qualified to treat the required range of conditions of the SPD beneficiary, per W & I Code Section 14182 (b)(11).
 - 5) Contractor shall ensure that Members are allowed to change a Primary Care Physician, Nurse Practitioner, Certified Nurse Midwife or Physician Assistant, upon request, by selecting a different Primary Care Provider from Contractor's Network.
- B. Contractor shall disclose to affected Members any reasons for which their selection or change in Primary Care Physician could not be made.
- C. Contractor shall ensure that Members with an established relationship with a Provider in Contractor's Network, who have expressed a desire to continue their patient/Provider relationship, are assigned to that Provider without disruption in their care.
- D. Contractor shall ensure that Members may choose Traditional and Safety-

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Net Providers as their Primary Care Provider, and that American Indian Members may choose an American Indian Health Care Provider within Contractor's Network as their Primary Care Provider.

- E. Contractor shall not be obligated to require Full Benefit Dual Eligible Members to select a Medi-Cal Primary Care Provider. Nothing in this section shall be construed to require Contractor to pay for services that would otherwise be paid for by Medicare.

7. Primary Care Provider Assignment

- A. If the Member does not select a Primary Care Provider within 30 calendar days of the effective date of enrollment, Contractor shall assign that Member to a Primary Care Provider and notify the Member and the assigned Primary Care Provider no later than 40 calendar days after the Member's enrollment. Contractor shall ensure that adverse selection does not occur during the assignment process of Members to Providers.
- B. For Riverside/San Bernardino Counties Only
If an Adult Expansion Member does not select a Primary Care Provider within 30 calendar days of the effective date of enrollment, and resides in a public hospital system county, as defined in Welfare and Institutions Code Section 17612.2, Subdivision (u), Contractor shall assign the Adult Expansion Member to a Primary Care Provider as follows:
 - 1) During a three (3) year period, ending on December 31, 2016, Contractor shall assign at least 75 percent of Adult Expansion Members who do not select a Primary Care Provider, to a Primary Care Provider within the county public hospital health system, until the county public hospital health system meets its enrollment target, as defined in Welfare and Institutions Code Section 14199.1(b)(3).
 - 2) Following the expiration of the three (3) year period as stated above, Contractor shall assign at least 50 percent of Adult Expansion Members who do not select a Primary Care Provider to a Primary Care Provider within the county public hospital health system until the county public hospital health system meets its applicable enrollment target.
 - 3) The above two paragraphs shall not apply with respect to a county public hospital health system during any time period in which the county public hospital health system meets or exceeds its applicable enrollment target. For these time periods, Adult Expansion Members shall be assigned to Primary Care Providers in the same manner as other Members who do not affirmatively select

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a Primary Care Provider. A county public hospital health system can notify Contractor that it has reached its maximum capacity for the assignment of Adult Expansion Members.

- 4) If at any time the county public hospital health system notifies Contractor that it again has capacity to accept assignment of Adult Expansion Members, the requirements set forth in Paragraphs 1) and 2) shall apply, effective on the first day of the month following that notice.
- 5) In implementing the requirements contained in this Provision, Contractor shall first assign Adult Expansion Members to a Primary Care Provider within the county public hospital health system from whom the Adult Expansion Member has accessed care two or more times within the past 12 months, if the Contractor is appropriately notified by DHCS of the prior existing relationship.
 - a) Contractor shall use utilization data or other data sources, including electronic data, as provided by DHCS to establish existing Provider relationships with county public hospital health system Providers for the purpose of Primary Care Provider assignment.
 - b) DHCS shall work with the county public hospital health systems to gather and provide this data to Contractor.
- 6) Contractor shall not assign Adult Expansion Members to a Primary Care Provider within the county public hospital health system if that Primary Care Provider has notified Contractor that it does not have capacity to accept new Adult Expansion Members.
- 7) The assignment process described in this Provision shall not apply to LIHP Members subject to Welfare and Institutions Code Section 14005.60.
- 8) Nothing set forth in this Provision shall alter, reduce, or modify in any manner the way Contractor assigns other Members to the county public hospital health systems.
- 9) Nothing in this Provision shall modify the ability of Adult Expansion Members from selecting or changing their Primary Care Providers.
- 10) If the Contractor identifies a concern regarding patient quality or access (through mechanisms such as Grievances, Member satisfaction, secret shopper Provider surveys, etc.) within the county public hospital health system (PHHS), Contractor may

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cease default enrollment into the PHHS upon approval from DHCS and until such time as the issue has been satisfactorily addressed.

- C. If a Member does not select a Primary Care Provider within 30 calendar days of the effective date of enrollment, Contractor shall use utilization data or other data sources provided by DHCS, including electronic data, to establish existing Provider relationships for the purpose of Primary Care Provider assignment, including a Specialist or clinic for a SPD beneficiary if a preference for either has been indicated. Contractor shall comply with all federal and State privacy laws in the provision and use of this data.
- D. Contractor shall notify the Primary Care Provider that a Member has selected or been assigned to the Provider within ten (10) calendar days from when selection or assignment is completed by the Member or the Contractor, respectively.
- E. Contractor shall maintain procedures that proportionately include contracting Traditional and Safety-Net Providers in the assignment process for Members who do not choose a Primary Care Provider.
- F. Contractor shall not be required to assign Members who are eligible for services through Medicare to a Medi-Cal Primary Care Provider except as specified in APL 14-015. Nothing in this section shall be construed to require health plans to pay for services that would otherwise be paid for by Medicare.
- G. Contractor shall provide any Member utilization data received from DHCS to the Primary Care Provider or Subcontractor to which a Member has been assigned for the coordination of the Members care. To the extent the Provider is not equipped to receive the data, Contractor shall make it available to the Primary Care Provider or Subcontractor.

8. Denial, Deferral, or Modification of Prior Authorization Requests

- A. Contractor shall notify Members of a decision to deny, defer, or modify requests for prior authorization, in accordance with 42 CFR 438.210(c) and Title 22 CCR Sections 51014.1 and 53894 by providing a NOA to Members and/or their authorized representative, regarding any denial, deferral or modification of a request for approval to provide a health care service. This notification must be provided as specified in 42 CFR 438.404, Title 22 CCR Sections 51014.1, 51014.2, 53894, and Health and Safety Code Section 1367.01.
- B. Contractor shall ensure that at least ten (10) days of advanced notice is given to a Member when a NOA results in a termination, suspension, or reduction of previously authorized covered services. The Contractor shall

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shorten the advanced notice to five (5) days if fraud probable recipient fraud has been verified.

Contractor shall not be required to provide advanced notice of a termination, suspension, reduction of services, or reduction of previously authorized covered services when the following conditions apply:

- 1) Death of a Member;
- 2) Member provides a written statement requesting service termination or giving information requiring termination or reduction of services;
- 3) Member admission into an institution that makes the Member ineligible for further services;
- 4) Member's address is unknown and mail directed to the Member has no forwarding address;
- 5) Member has been accepted for Medi-Cal services by another local jurisdiction;
- 6) Member's Primary Care Physician prescribes a change in the level of medical care;
- 7) An adverse determination made with regard to the preadmission screening requirements for nursing facility admissions on or after January 1, 1989; or
- 8) Safety or health of individuals in a facility would be endangered, Member's health improves sufficiently to allow a more immediate transfer or discharge, an immediate transfer or discharge is required by the Member's urgent medical needs, or Member has not resided in the nursing facility for a minimum of 30 days.

- C. Contractor shall provide expedited advanced notice to a Member when Contractor or Primary Care Physician indicates that the standard timeframe could seriously jeopardize the Member's life, health, or ability to attain, maintain, or regain maximum function. Contractor shall ensure an expedited authorization decision and provide an expedited notice as the Member's health condition requires and no later than 72 hours after receipt of the request for services. Upon approval from DHCS, Contractor may extend the 72 hour expedited period to 14 calendar days if the Member requests an extension, or if Contractor justifies a need for additional information and that the extension is in the Member's interest.

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- D. Contractor shall provide for a written notification to the Member and the Member's representative on a standardized form informing the Member of all the following:
- 1) The Member's right to, and method of obtaining, a State Fair Hearing to contest the denial, deferral, or modification action and the decision the Contractor has made.
 - 2) The Member's right to represent himself/herself at the State Fair Hearing or to be represented by legal counsel, friend or other spokesperson.
 - 3) The name and address of Contractor and the State of California Department of Social Services toll-free telephone number for obtaining information on legal service organizations for representation.
- E. Contractor shall provide a required notification to Members and their authorized representatives in accordance with the time frames set forth in Title 22 CCR Sections 51014.1 and 53894. Such notice shall be deposited with the United States Postal Service in time for pick-up no later than the third working day after the decision is made, not to exceed 14 calendar days from receipt of the original request. If the decision is deferred because an extension is requested or justified as explained in Exhibit A, Attachment 5, Provision 3, Contractor shall notify the Member in writing of the deferral of the decision no later than 14 calendar days from the receipt of the original request. If the final decision is to deny or modify the request, Contractor shall provide a written notification of the decision to Members no later than 28 calendar days from the receipt of the original request.

If the decision regarding a prior authorization request is not made within the time frames indicated in Exhibit A, Attachment 5, Provision 3, the decision is considered denied and notice of the denial must be sent to the Member on the date the time frame expires.

Exhibit A, Attachment 14
MEMBER GRIEVANCE AND APPEAL SYSTEM

1. Member Grievance and Appeal System

Contractor shall have in place a system in accordance with Title 28, CCR, Section 1300.68 and 1300.68.01, Title 22 CCR Section 53858, Exhibit A, Attachment 13, Provision 4, Paragraph F.13), and 42 CFR 438. 402-424. Contractor shall follow Grievance and Appeal requirements, and use all notice templates included in APL 17-006. Contractor shall ensure that the following requirements are met through its Grievance and Appeal system:

- A. Members, or a Provider or authorized representative acting on behalf of a Member and with the Member's written consent, may file a Grievance or request an Appeal with Contractor either orally or in writing.
- B. Ensure timely acknowledgement for each Grievance and request for an Appeal, and provide a notice of resolution to the Member as quickly as the Member's health condition requires, within 30 calendar days from the date Contractor receives the Grievance or request for an Appeal. Contractor shall notify the Member of the resolution in a written Member notice.
- C. For Members accessing the Grievance and Appeal system, ensure that reasonable assistance is given in completing forms and other procedural steps, which includes but is not limited to, providing Auxiliary Aids and services upon request, such as interpreter services and a toll-free number with TTY/TDD and interpreter capability.
- D. Ensure that the person making the final decision for the proposed resolution of Grievances and Appeals has neither participated in any prior decisions related to the Grievance or Appeal, nor is a subordinate of someone who has participated in a prior decision, and has clinical expertise in treating a Member's condition or disease if deciding on any of the following:
 - 1) An Appeal of a denial based on lack of Medical Necessity;
 - 2) A Grievance regarding denial of an expedited resolution of an Appeal; and
 - 3) Any Grievance or Appeal involving clinical issues.
- E. Take into account all comments, documents, records, and other information submitted by the Member or their representative, without regard to whether such information was submitted or considered in the initial action.
- F. Ensure that Members are given a reasonable opportunity to present to Contractor evidence and testimony, and make legal or factual arguments, in person as well as in writing, in support of their Grievance or Appeal.

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MEMBER GRIEVANCE AND APPEAL SYSTEM**

Contactor shall inform Members of the limited time available to present evidence sufficiently in advance of the resolution timeframes specified in this Contract, including for expedited Appeals.

- G. Notice of resolutions for Grievances and Appeals shall be in a format and language that, at a minimum, meets the standards set forth in 42 CFR 438.10 and Exhibit A, Attachment 13, Provision 4 of this Contract.
- H. Provide oral notice of the resolution of an expedited review within 72 hours.
- I. Provide its Grievance and Appeal system requirements to Subcontractors at the time that they enter into a Subcontract.
- J. Compile the systematic aggregation and analysis of Grievance and Appeal data and use for Quality Improvement.

2. Grievance Process

Contractor shall implement and maintain procedures as described below for Grievances and the expedited review of Grievances required under 42 CFR 438.402, 406, and 408, Title 28, CCR, Sections 1300.68 and 1300.68.01, and Title 22 CCR Section 53858.

- A. Procedure to ensure a Member may file a Grievance with Contractor at any time to express dissatisfaction about any matter other than an action resulting in a NOA.
- B. Procedure to allow Members to file a Grievance when they disagree with Contractor's decision to extend the timeframe for resolution of an Appeal or expedited Appeal.
- C. Procedure to ensure that every Grievance submitted is reported to an appropriate level, i.e., quality of care versus quality of service.
- D. Procedure to ensure the participation of individuals with authority to require corrective action. Grievances related to medical quality of care issues shall be referred to Contractor's medical director.

3. Grievance and Appeal Log and Quarterly Grievance and Appeal Report

- A. Contractor shall accurately maintain and make accessible to DHCS, and have available for CMS upon request, Grievance and Appeal logs, including copies of Grievance and Appeal logs of any subcontracting entity delegated the responsibility to maintain and resolve Grievances. Grievance and Appeal logs shall include all the required information set forth in Title 22 CCR Section 53858(e). Contractor shall also apply the

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information requirements for Grievance logs to the inclusion of Appeals.

- B. Contractor shall submit a quarterly Grievance and Appeal report for Medi-Cal Members only in the form that is required by and submitted to the DMHC as set forth in Title 28 CCR Section 1300.68(f), with additional information required by DHCS per 42 CFR 438.416.
- 1) In addition to the types or nature of Grievances listed in Title 28 CCR Section 1300.68(f)(2)(D), the report shall also include, but not be limited to, timely assignments to a Provider, issues related to cultural and linguistic sensitivity, difficulty with accessing Specialists, and Grievances related to Contractor's denial of requests for out-of-Network requests.
 - 2) For the Medi-Cal category of the report, Contractor shall provide the following additional information on both Grievances and Appeals:
 - a) The date Contractor received the Grievance or Appeal;
 - b) A general description of the reason for the Grievance or Appeal;
 - c) The date(s) of Contractor's review of the Grievance or Appeal, or if applicable, a review meeting;
 - d) The resolution and date of resolution, at each level of the Grievance or Appeal;
 - e) The name of the Member for whom review of a Grievance or Appeal was requested;
 - f) The timeliness of responding to the Member; and
 - g) The geographic region, ethnicity, gender, and primary language of the Member.
- C. Contractor shall submit the quarterly Grievance and Appeal report for Medi-Cal Members the following quarters: April – June, July – September, October – December, January – March. The report is due 30 calendar days from the date of the end of the reporting quarter.

4. Notice of Action (NOA)

- A. A NOA is a formal letter, in a format approved by DHCS, informing a

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MEMBER GRIEVANCE AND APPEAL SYSTEM**

Member of any of the following actions taken by Contractor and sent within the corresponding timeframes:

- 1) For the denial or limited authorization of a requested Covered Service, send within five (5) business days from receipt of the information reasonably necessary to render a decision, with a possible extension of up to 14 additional calendar days if the Member requests an extension, or if Contractor justifies to DHCS a need for additional information and how the extension is in the Member's interest.
- 2) For the reduction, suspension, or termination of a previously authorized Covered Service, send within the timeframes stated in Exhibit A, Attachment 13, Provision 8, Paragraph B.
- 3) For a denial, in whole or in part, of payment for a Covered Service, send at the time of any action affecting the claim.
- 4) For the failure to authorize Covered Services in a timely manner, send on the date that the timeframe expires.
- 5) For the decision to extend the time frame to authorize a Covered Service and provide information on filing a Grievance if the Member disagrees, send within 14 calendar days following receipt of the request.
- 6) For an expedited service authorization decision, send within 72 hours of receipt of the request.

B. A written NOA shall be in a format and language that, at a minimum, meets the standards set forth in Exhibit A, Attachment 13, Provision 4, and must include all of the following:

- 1) The action that Contractor or its Subcontractor has taken or intends to take;
- 2) The reason for the action, including notification to the Member of the right to be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and any other information relevant to the action, including the Medical Necessity criteria, and any processes, strategies, or evidentiary standards used;
- 3) The Member's right to request an Appeal with Contractor no later than 60 calendar days from the date on the NOA, and information on exhausting Contractor's one-level Appeal system;

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MEMBER GRIEVANCE AND APPEAL SYSTEM

- 4) The Member's right to request a State Fair Hearing after requesting an Appeal and receiving notice that Contractor is upholding its action, or after Contractor fails to send a resolution notice or extension in response to the Appeal within 30 calendar days;
 - 5) Procedures for exercising the Member's rights to request an Appeal or a State Fair Hearing;
 - 6) Circumstances under which an expedited Appeal is available and how to request it;
 - 7) The Member's right to have Covered Services continue pending the resolution of the Appeal; and
 - 8) How to request a continuation of Covered Services.
- C. Once a NOA is sent:
- 1) Members have 60 calendar days from the date on the NOA to request an Appeal of Contractor's action.
 - 2) Members may request a review of Contractor's action, called an Independent Medical Review (IMR), from the Department of Managed Health Care (DMHC).
- D. Member must be notified that the State must reach its decision for a standard State Fair Hearing within 90 days of the date of the request. For an expedited State Fair Hearing, the State must reach its decision within three (3) working days of receipt of the expedited State Fair Hearing request. Contractor shall also comply with all other requirements as outlined in APL 03-009 and APL 17-006.

5. Appeal Process

Contractor shall have in place a process as described below to resolve Member requests for Appeals. Contractor may have only one level of Appeal for Members.

- A. Following the receipt of a NOA, a Member has 60 calendar days from the date on the NOA to file a request for an Appeal either orally or in writing. The Member, or a Provider or authorized representative acting on behalf of a Member and with the Member's written consent, may request an Appeal. Unless the Member is requesting an expedited Appeal, an oral request for an Appeal should be followed by a written and signed Appeal. However, Contractor shall still consider the date the Member made the oral request for an Appeal as the filing date without regard to whether the

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MEMBER GRIEVANCE AND APPEAL SYSTEM**

Member submitted a written request for an Appeal.

- B. If Contractor fails to send a Member resolution notice within 30 calendar days, the Member is deemed to have exhausted Contractor's internal Appeal process and can request a State Fair Hearing. A Member resolution notice, at a minimum, must include the result and date of the Appeal resolution. For decisions not wholly in the Member's favor, Contractor, at a minimum, must include:
 - 1) Member's right to request a State Fair Hearing;
 - 2) How to request a State Fair Hearing;
 - 3) Right to continue to receive benefits pending a State Fair Hearing;
 - 4) How to request the continuation of benefits, and requirements to file a continuation within ten (10) calendar days of when the NOA was sent, or before the intended effective date of the proposed action; and
 - 5) The right to request an IMR or a review of Contractor's decision by DMHC.
- C. Contractor may extend the timeframe to resolve an Appeal by up to 14 calendar days if the Member requests an extension or Contractor shows that there is a need for additional information and how the delay is in the Member's interest. If the timeframe extension has not been requested by the Member, Contractor shall:
 - 1) Make reasonable efforts to give the Member prompt oral notice of the delay.
 - 2) Give the Member a written notice of the reason to extend the timeframe within two (2) calendar days, including information on the right to file an additional Grievance for the delay.
 - 3) Resolve as expeditiously as the Member's health condition requires and no later than the date the extension expires.
- D. Contractor must authorize or provide the disputed services promptly, and as expeditiously as the Member's health condition requires, but no later than 72 hours from the date it reverses the action, if the services are not furnished while the Appeal is pending and Contractor reverses a decision to deny, limit, or delay services.
- E. Contractor must pay for disputed services if the Member received the disputed services while the Appeal was pending.

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- F. Contractor shall continue providing Covered Services while the Appeal is pending if all of the following conditions are met:
- 1) The Member filed their Appeal within the required timeframes,
 - 2) The Appeal involves the termination, suspension, or reduction of previously authorized Covered Services;
 - 3) The Covered Services were ordered by an authorized Provider;
 - 4) The period covered by the original authorization has not expired; and
 - 5) The Member files for continuing Covered Services within 10 calendar days of when the NOA was sent, or before the intended effective date of the proposed action.
- G. If Contractor, at the Member's request, continues or reinstates the provision of Covered Services while an Appeal or State Fair Hearing is pending, those services must continue until:
- 1) The Member withdraws their request for an Appeal or a State Fair Hearing;
 - 2) The Member fails to request a State Fair Hearing and continuation of Covered Services within 10 calendar days of when the NOA was sent; or
 - 3) The State Fair Hearing decision is adverse to the Member.
- H. The Member must be given the opportunity before and during their Appeals process to examine their case file, including medical records and any other documents and records considered during the Appeals process. Contractor shall provide, sufficiently in advance of the resolution timeframe and free of charge, the Member's case file, including medical records and any other documents and records considered during the Appeal process.

6. Responsibilities in Expedited Appeals

Contractor shall implement and maintain procedures as described below to resolve expedited Appeals. Contractor shall follow the expedited Appeal process when it determines or the Provider indicates that taking the time for a standard resolution could seriously jeopardize the Member's life, physical or mental health, or ability to attain, maintain, or regain maximum function.

Exhibit A, Attachment 14
MEMBER GRIEVANCE AND APPEAL SYSTEM

- A. A Member, or a Provider or authorized representative acting on behalf of a Member and with the Member's written consent, may file an expedited Appeal either orally or in writing and no additional Member follow-up is required. Contractor must ensure that punitive action is not taken against a Provider who requests an expedited resolution or supports a Member's Appeal.
- B. Contractor must inform the Member of the limited time available for the Member to present evidence and allegations of fact or law, in person and in writing, sufficiently in advance of the resolution timeframe.
- C. Contractor must provide a Member notice, as quickly as the Member's health condition requires, within 72 hours from the day Contractor receives the request for an Appeal.
- D. Contractor may extend the timeframe to resolve an expedited Appeal by up to 14 days if the Member requests an extension or if Contractor shows that there is a need for additional information and how the delay is in the Member's interest. If the extension was not requested by the Member, Contractor shall make reasonable efforts to give the Member a prompt oral notice of the delay, and within two (2) calendar days give the Member a written notice of both the reason for the extension and the right to file a Grievance if the Member disagrees with the decision. Contractor shall resolve the Appeal as expeditiously as the Member's health condition requires and no later than the date the extension expires.
- E. Contractor must make a reasonable effort to provide oral notice of expedited Appeal decision.
- F. If Contractor denies a request for an expedited resolution of an Appeal, it must process the request for an Appeal in accordance with the standard Appeal process timeframes for resolutions and extensions as required in Provision 5 of this Attachment.

7. State Fair Hearings and Independent Medical Reviews

- A. State Fair Hearings
 - 1) Members, or a Provider or authorized representative acting on behalf of a Member and with the Member's written consent, may request a State Fair Hearing:
 - a) After receiving a notice of resolution stating that Contractor's action has been upheld, and the request is made within 120 calendar days from the date on the notice of resolution; or

**Exhibit A, Attachment 14
MEMBER GRIEVANCE AND APPEAL SYSTEM**

- b) If they have exhausted the Appeals process due to Contractor failing to adhere to Appeal notice and timing requirements as stated in this Contract.
 - 2) During the State Fair Hearing process, Contractor must authorize or provide the disputed services promptly, and as expeditiously as the Member's health condition requires, but no later than 72 hours from the date Contractor receives notice reversing the determination, if the services are not furnished while the Hearing is pending and Contractor reverses a decision to deny, limit, or delay services.
 - 3) Contractor must pay for disputed services if the Member received the disputed services while the Hearing was pending.
- B. Expedited State Fair Hearings**
- 1) Within two (2) working days of being notified by DHCS or the California Department of Social Services (CDSS) that a Member has filed a request for State Fair Hearing which meets the criteria for expedited resolution, Contractor shall deliver directly to the designated/appropriate CDSS administrative law judge all information and documents which either support, or which the Contractor considered in connection with, the action which is the subject of the expedited State Fair Hearing. This includes, but is not necessarily limited to, copies of the relevant treatment authorization request and NOA, plus any pertinent Appeal resolution notice. If the NOA or Appeal resolution notices are not in English, fully translated copies shall be transmitted to CDSS along with copies of the original NOA and Appeal resolution notice.
 - 2) One or more of Contractor's representatives with knowledge of the Member's condition and the reason(s) for the action, which is the subject of the expedited State Fair Hearing, shall be available by phone during the scheduled Hearing.
- C. Independent Medical Review (IMR)**
- 1) Members have the right to request from DMHC an IMR of an action resulting in a Member request for an Appeal, or the outcome of an Appeal.
 - 2) An IMR must be requested by a Member. Contractor shall not require a Member to request an IMR before, or use one as a deterrent to, requesting a State Fair Hearing.

**Exhibit A, Attachment 14
MEMBER GRIEVANCE AND APPEAL SYSTEM**

- 3) IMRs shall be conducted by DMHC independently from either the Member or Contractor, and at no cost to the Member.
- 4) IMRs shall not extend any of the time frames stated in this Contract for Appeals, and shall not disrupt the continuation of Covered Services per 42 CFR 438.420.

8. Parties to an Appeal or a State Fair Hearing

The parties to an Appeal or a State Fair Hearing include Contractor as well as the Member and his or her representative or the representative of a deceased Member's estate.

**Exhibit A, Attachment 15
MARKETING**

1. Training and Certification of Marketing Representatives

If Contractor conducts Marketing, Contractor shall develop a training and certification program for Marketing Representatives and ensure that all staff performing Marketing activities or distributing Marketing material are appropriately certified.

A. Contractor is responsible for all Marketing activity conducted on behalf of the Contractor. Contractor will be held liable for any and all violations by any Marketing Representatives. Marketing staff may not provide Marketing services for more than one Contractor. Marketing Representatives shall not engage in marketing practices that discriminate against an Eligible Beneficiary or Potential Enrollee because of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56.

B. Training Program

Contractor shall develop a training program that will train staff and prepare Marketing Representatives for certification. Contractor shall develop a staff orientation and Marketing representative's training/certification manual. The manual shall, at a minimum, cover the following topics:

- 1) An explanation of the Medi-Cal Program, including both FFS and capitated contractors, and eligibility.
- 2) Scope of Services
- 3) An explanation of the Contractor's administrative operations and health delivery system program, including the Service Area covered, Excluded Services, additional services, conditions of enrollment and aid categories.
- 4) An explanation of Utilization Management (how the beneficiary is obligated to obtain all non-emergency medical care through the Contractor's Provider Network and describing all precedents to receipt of care like referrals, Prior Authorizations, etc.).
- 5) An explanation of the Contractor's Grievance and Appeal procedures.
- 6) An explanation of how a beneficiary disenrolls from the Contractor and conditions for both voluntary and mandatory disenrollment reasons.

**Exhibit A, Attachment 15
MARKETING**

- 7) An explanation of the requirements of confidentiality of any information obtained from Medi-Cal beneficiaries including information regarding eligibility under any public welfare or social services program.
- 8) An explanation of how Marketing Representatives will be supervised and monitored to assure compliance with regulations.
- 9) An explanation of acceptable communication and sales techniques. This shall include an explanation of prohibited Marketing Representative activities and conduct.
- 10) An explanation that discrimination in enrollment and failure to enroll a beneficiary due to a pre-existing medical condition (except for conditions requiring Excluded Services) are illegal.
- 11) An explanation of the consequences of misrepresentation and Marketing abuses (i.e., discipline, suspension of Marketing, termination, civil and criminal prosecution, etc.). The Marketing Representative must understand that any abuse of Marketing requirements can also cause the termination of the Contractor's contract with the State.

2. DHCS Approval

- A. Contractor shall not conduct Marketing activities presented in Provision 3, Paragraph A, Subparagraph 2), item d) below, without written approval of its Marketing plan, or changes to its Marketing plan, from DHCS. In cases where the Contractor wishes to conduct an activity not included in Provision 3, Paragraph A, Sub-paragraph 2) c) and d) below, Contractor shall submit a request to include the activity and obtain written, prior approval from DHCS. Contractor must submit the written request not later than 30 calendar days prior to the Marketing event, unless DHCS agrees to a shorter period.
- B. All Marketing materials, and changes in Marketing materials, including but not limited to, all printed materials, illustrated materials, videotaped and media scripts, shall be approved in writing by DHCS prior to distribution.
- C. Contractor's training and certification program and changes in the training and certification program shall be approved in writing by DHCS prior to implementation.

3. Marketing Plan

**Exhibit A, Attachment 15
MARKETING**

If Contractor conducts Marketing, Contractor shall develop a Marketing plan as specified below. The Marketing plan shall be specific to the Medi-Cal program only and materials shall be distributed within the Contractor's entire service area. Contractor shall implement and maintain the Marketing plan only after approval from DHCS. Contractor shall ensure that the Marketing plan, all procedures and materials are accurate and do not mislead, confuse or defraud.

- A. Contractor shall submit a Marketing plan to DHCS for review and approval on an annual basis. The Marketing plan, whether new, revised, or updated, shall describe the Contractor's current Marketing procedures, activities, and methods. No Marketing activity shall occur until the Marketing plan has been approved by DHCS.
- 1) The Marketing plan shall have a table of contents section that divides the Marketing plan into chapters and sections. Each page shall be dated and numbered so chapters, sections, or pages, when revised, can be easily identified and replaced with revised submissions.
 - 2) Contractor's Marketing plan shall contain the following items and exhibits:
 - a) Mission Statement or Statement of Purpose for the Marketing plan.
 - b) Organizational Chart and Narrative Description
 - i. The organizational chart shall include the Marketing director's name, address, telephone and facsimile number and key staff positions.
 - ii. The description shall explain how the Contractor's internal Marketing department operates, identifying key staff positions, roles and responsibilities, and, reporting relationships including, if applicable, how the Contractor's commercial Marketing staff and functions interface with its Medi-Cal Marketing staff and functions.
 - c) Marketing Locations

All sites for proposed Marketing activities such as annual health fairs, and community events, in which the Contractor proposes to participate, shall be listed.
 - d) Marketing Activities

**Exhibit A, Attachment 15
MARKETING**

All Marketing methods and Marketing activities Contractor expects to use, or participate in, shall be described. Contractor shall comply with the guidelines described in Title 22 CCR Sections 53880 and 53881, Welfare and Institutions Code Sections 10850(b), 14407.1, 14408, 14409, 14410, and 14411, and as follows:

- i. Contractor shall not engage in door-to-door, telephone, e-mail, texting, or other cold call Marketing for the purpose of enrolling Potential Enrollees, or for any other purpose.
- ii. Contractor shall obtain DHCS approval to perform in-home Marketing presentations and shall provide strict accountability, including documentation of the prospective Member's request for an in-home Marketing presentation or a documented telephone log entry showing the request was made.
- iii. Contractor shall not conduct Marketing presentations at primary care sites.
- iv. Include a letter or other document that verifies cooperation or agreement between the Contractor and an organization to undertake a Marketing activity together and certify or otherwise demonstrate that permission for use of the Marketing activity/event site has been granted.

e) Marketing Materials

Copies of all Marketing materials the Contractor will use for both English and non-English speaking populations shall be included.

Marketing materials shall not contain any statements that indicate that enrollment is necessary to obtain or avoid losing Medi-Cal benefits, or that the Contractor is endorsed by DHCS, the Centers for Medicare and Medicaid Services, or any other state or federal government entity.

A sample copy of the Marketing identification badge and business card that will clearly identify Marketing Representatives as employees of the Contractor shall be included. Marketing identification badges and business cards shall not resemble those of a government agency.

**Exhibit A, Attachment 15
MARKETING**

f) Marketing Distribution Methods

A description of the methods the Contractor will use for distributing Marketing materials.

g) Monitoring and Reporting Activities

Written formal measures to monitor performance of Marketing Representatives to ensure Marketing integrity pursuant to Welfare and Institutions Code Section 14408(c).

h) Miscellaneous

All other information requested by DHCS to assess the Contractor's Marketing program.

- B. Contractor shall not seek to influence enrollment in conjunction with the sale or offering of any private insurance.

4. Marketing Event Notification

Contractor shall notify DHCS at least 30 calendar days in advance of Contractor's participation in all Marketing events. In cases where Contractor learns of an event less than 30 calendar days in advance, Contractor shall provide notification to DHCS immediately. In no instance shall notification be less than 48 hours prior to the event.

Exhibit A, Attachment 16
ENROLLMENTS AND DISENROLLMENTS

1. Enrollment Program

Contractor shall cooperate with the DHCS Enrollment program and shall provide to DHCS' enrollment contractor a list of Network Providers (provider directory), linguistic capabilities of the Providers and other information deemed necessary by DHCS to assist Eligible Beneficiaries, and Potential Enrollees, in making an informed choice in health plans. The provider directory will be submitted every six (6) months and in accordance with PL 11-009.

2. Enrollment

Contractor shall accept as Members Eligible Beneficiaries in the mandatory and voluntary aid categories as defined in Exhibit E, Attachment 1, Definitions, Eligible Beneficiaries, including Medi-Cal beneficiaries in Aid Codes who elect to enroll with the Contractor or are assigned to Contractor.

A. Enrollment - General

Eligible Beneficiaries residing within the Service Area of Contractor may be enrolled at any time during the term of this Contract. Eligible Beneficiaries shall be accepted by Contractor in the order in which they apply without regard to race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56.

B. Coverage

Member coverage shall begin at 12:01 a.m. on the first day of the calendar month for which the Eligible Beneficiary's name is added to the approved list of Members furnished by DHCS to Contractor. The term of enrollment shall continue indefinitely unless this Contract expires, is terminated, or the Member is disenrolled under the conditions described in provision 3. Disenrollment.

Contractor shall provide Covered Services to a child born to a Member for the month of birth and the following month. For a child born in the month immediately preceding the mother's membership, Contractor shall provide Covered Services to the child during the mother's first month of Enrollment. No additional Capitation Payment will be made to Contractor by DHCS.

C. Exception to Enrollment

A Member in a mandatory aid code category is not required to enroll when a request for an exemption under Title 22 CCR Section 53887 has been approved.

Exhibit A, Attachment 16
ENROLLMENTS AND DISENROLLMENTS

D. Enrollment Restriction

Enrollment will proceed unless restricted by DHCS. Such restrictions will be defined in writing and the Contractor notified at least ten (10) calendar days prior to the start of the period of restriction. Release of restrictions will be in writing and transmitted to the Contractor at least ten (10) days calendar prior to the date of the release. DHCS shall immediately suspend enrollment of SPD beneficiaries if DHCS determines that Contractor does not have sufficient primary or specialty Providers to meet the needs of SPD beneficiaries in accordance with W & I Code 14182(w).

3. Disenrollment

The enrollment contractor shall process a Member disenrollment under the following conditions, subject to approval by DHCS, in accordance with the provisions of Title 22 CCR Section 53891:

A. Disenrollment of a Member is mandatory when:

- 1) The Member requests disenrollment, subject to any lock-in restrictions on disenrollment under the Federal lock-in option, if applicable.
- 2) The Member's eligibility for enrollment with Contractor is terminated or eligibility for Medi-Cal is ended, including the death of the Member.
- 3) Enrollment was in violation of Title 22 CCR Section 53891(a)(2), or requirements of this Contract regarding Marketing, and DHCS or Member requests disenrollment.
- 4) Disenrollment is requested in accordance with Welfare and Institutions Code Sections 14303.1 regarding merger with other organizations, or 14303.2 regarding reorganizations or mergers with a parent or subsidiary corporation.
- 5) There is a change of a Member's place of residence to outside Contractor's Service Area.
- 6) Disenrollment is based on the circumstances described in Exhibit A, Attachment 11, Provision 17, Excluded Services Requiring Member Disenrollment.

Such disenrollment shall become effective on the first day of the second month following receipt by DHCS of all documentation necessary, as determined by DHCS, to process the disenrollment, provided

**Exhibit A, Attachment 16
ENROLLMENTS AND DISENROLLMENTS**

disenrollment was requested at least 30 calendar days prior to that date, except for disenrollment pursuant to Exhibit A, Attachment 11, Provision 18, regarding Major Organ Transplants, for which disenrollment shall be effective the beginning of the month in which the transplant is approved.

- B. Except as provided in Paragraph A, Subparagraph 6) above, enrollment shall cease no later than midnight on the last day of the first calendar month after the Member's disenrollment request and all required supporting documentation are received by DHCS. On the first day after enrollment ceases, Contractor is relieved of all obligations to provide Covered Services to the Member under the terms of this Contract. Contractor agrees in turn to return to DHCS any Capitation Payment forwarded to Contractor for persons no longer enrolled under this Contract.
- C. Contractor shall implement and maintain procedures to ensure that all Members requesting disenrollment or information regarding the disenrollment process are immediately referred to the enrollment contractor.

Two-Plan CCI Boilerplate

**Exhibit A, Attachment 17
REPORTING REQUIREMENTS**

Contract Section	Requirement	Frequency
Exhibit A - SCOPE OF WORK		
Attachment 1 ORGANIZATION AND ADMINISTRATION OF THE PLAN		
2. A. Key Personnel (Disclosure Form)	Key Personnel (Disclosure Form)	Annually
Attachment 2 FINANCIAL INFORMATION		
2. Financial Audit Reports B. 1) or B. 2)	Annual certified Financial Statements and DMHC required reporting forms or Financial Statement	Annually
2. Financial Audit Reports B. 2)	Quarterly Financial Reports	Quarterly
4. Monthly Financial Statements	Monthly Financial Statements (If applicable)	Monthly
Attachment 3 MANAGEMENT INFORMATION SYSTEM		
2. Encounter Data Submittal C.	Encounter Data Submittal	Monthly
Attachment 4 QUALITY IMPROVEMENT SYSTEM (QIS)		
4. Quality Improvement Committee C.	Quality Improvement Committee meeting minutes	Quarterly
8. Quality Improvement Annual Report	Quality Improvement Annual Report	Annually
9. External Quality Review Requirements A. External Accountability Set (EAS) Performance Measures 2) b)	EAS Performance Measurement Rates	Annually
9. External Quality Review Requirements B. Under/Over-Utilization Monitoring	Reported rates	Annually
9. External Quality Review Requirements C. Performance Improvement Projects (PIPs)	QIP Proposals or Status Reports	Annually
10. Site Review E. Data Submission	Site Review Data	Semi-Annually
Attachment 6 PROVIDER NETWORK		
11. Provider Network Report	Provider Network Report	Quarterly
12. Plan Subcontractors	Plan Subcontractors Report	Quarterly
Attachment 9 ACCESS AND AVAILABILITY		
13. Cultural and Linguistic Program C. Group Needs Assessment 4)	Group Needs Assessment Summary Report	Every 5 years
Attachment 10 SCOPE OF SERVICES		

Two-Plan CCI Boilerplate

**Exhibit A, Attachment 17
REPORTING REQUIREMENTS**

Contract Section	Requirement	Frequency
5. Services for Members under Twenty-One (21) Years of Age B. Children's Preventive Services 5)	Confidential Screening/Billing Report Form, PM 160-PHP	Monthly
5. Services for Members under Twenty-One (21) Years of Age G. Behavioral Health Treatment Services	BHT Reporting Template	First Six Months: Monthly After Six Months: Quarterly
8. Services for All Members G. Pharmaceutical Services and Provision of Prescribed Drugs 5)	Report of Changes to the Formulary	Annually
8. Services for All Members G. Pharmaceutical Services and Provision of Prescribed Drugs 7)	Report of DUR Program Activities	Annually
Attachment 12 LOCAL HEALTH DEPARTMENT COORDINATION		
4. MOU Monthly Reports	Local Health Department - MOU's County Mental Health - MOU's (If deemed necessary)	Monthly
Attachment 13 MEMBER SERVICES		
3. Call Center Reports	Call Center Reports	Quarterly
4. Written Member Information B.	Member Services Guide	Annually
Attachment 14 MEMBER GRIEVANCE AND APPEAL SYSTEM		
3. Grievance and Appeal Log and Quarterly Grievance and Appeal Report	Grievance and Appeal Report	Quarterly
Attachment 15 MARKETING		
3. Marketing Plan A.	Marketing Plan	Annually
Attachment 16 ENROLLMENTS AND DISENROLLMENTS		
1. Enrollment Program (PL 11-009)	Provider Directory	Semi-Annually
Attachment 19 COMMUNITY BASED ADULT SERVICES (CBAS)		
5. Required Reports for the CBAS Program A.	Provision of ECM Report	Quarterly
5. Required Reports for the CBAS Program B.	CBAS Enrollment Report	Quarterly
5. Required Reports for the CBAS Program C.	Addition to Call Center Report	Quarterly

**Exhibit A, Attachment 17
REPORTING REQUIREMENTS**

Contract Section	Requirement	Frequency
5. Required Reports for the CBAS Program D.	Addition to Grievance and Appeal Report	Quarterly
Attachment 20 MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS		
3. Provider Network Reports A.	Addition to the Provider Network Report	Quarterly
3. Provider Network Reports B.	Outpatient Mental Health Services Providers Report	Monthly
Attachment 21 MANAGED LONG-TERM SERVICES AND SUPPORTS (MLTSS)		
10. Required Reports for Managed Long Term Services and Supports A.	Support and Retention of Community Placement	Quarterly
10. Required Reports for Managed Long Term Services and Supports B.	Continuity of Care Requests	Monthly
10. Required Reports for Managed Long Term Services and Supports C.	Addition to the Provider Network Report	Quarterly
10. Required Reports for Managed Long Term Services and Supports D.	Addition to Call Center Reports	Quarterly
10. Required Reports for Managed Long Term Services and Supports E.	Addition to Grievances and Appeals Report	Monthly
10. Required Reports for Managed Long Term Services and Supports F.	PCP Assignment	Monthly
Exhibit B - BUDGET DETAIL AND PAYMENT PROVISIONS		
12. Payment of Aids Beneficiary Rates A. Compensation at the AIDS Beneficiary Rate (ABR) 1) c)	AIDS Beneficiaries Rate (ABR) Invoice	Monthly
Exhibit E - ADDITIONAL PROVISIONS		
Attachment 2 PROGRAM TERMS AND CONDITIONS		
34. Treatment of Recoveries C. Recovery of Overpayment	Recovery of Overpayment Report	Annually

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

The Implementation Plan and Deliverables section describes DHCS requirements for specific deliverables, activities, and timeframes that the Contractor must complete during the Implementation Period before beginning Operations.

Once the Contract is awarded, the Contractor has 15 calendar days after they sign the Contract to submit a Workplan for each county that describes in detail how and when the Contractor will submit and complete the deliverables to DHCS in accordance with the Implementation Plan and Deliverables section. The Contractor's Workplan(s) will include a timetable to accomplish the activities to assure timely start-up of operations and contingency plans in the event of implementation delays.

The Implementation Period begins with the effective date of the Contract and extends to the beginning of the Operations Period (approximately 6 months after the effective date of the Contract). The Operations Period is the period of time beginning with the effective date of the first month of operations and continues on through the last month of capitation and services to Members.

The Contractor's Workplan(s) will identify all of the deliverables, milestones, and timeframes to achieve an orderly sequence of events that will lead to compliance with all contract requirements. DHCS will review and approve each of the Workplan(s). However, Contractor shall not delay the submission of deliverables required in the Workplan(s) while waiting for DHCS approval of previously submitted deliverables required by the Workplan(s). Contractor will continue to submit deliverables based on the milestones and timeframes set forth in the approved DHCS Workplan(s). In the event the Contractor fails to submit all deliverables in accordance with the milestones and timeframes in the approved DHCS Workplan(s), DHCS may impose Liquidated Damages in accordance with Exhibit E, Attachment 2 – Program Terms and Conditions, Provision 17, Liquidated Damages Provisions.

In the event that this section omits a deliverable required by the Contract, the Contractor will still be responsible to assure that all contract requirements are met. Upon successful completion of the Implementation Plan and Deliverables section requirements, DHCS will authorize, in writing, that the Contractor may begin the Operations Period.

Knox-Keene Licensure

If not currently licensed to operate in awarded service area, a complete material modification to operate in the service area must be submitted to the DMHC within 30 working days of award of contract. Submit proof of the material modification submission to DHCS concurrently. Operation shall not begin until the material modification is approved by DMHC. Contractor shall submit a copy of their Knox-Keene license.

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

1. Organization and Administration of Plan

- A. Submit documentation of employees (current and former State employees) who may present a conflict of interest.
- B. Submit a complete organizational chart.
- C. If the Contractor is a subsidiary organization, submit an attestation by the parent organization that this Contract will be a high priority to the parent organization.
- D. Submit an attestation that the medical decisions made by the medical director will not be unduly influenced by fiscal or administrative management.
- E. Submit policies and procedures describing the representation and participation of Medi-Cal Members on Contractor's Public Policy Advisory Committee.
- F. Submit the following Knox-Keene license exhibits and forms reflecting current operation status:
 - 1) Type of Organization: Submit the following applicable exhibits and forms as appropriate for its type of organization and administration of the health plan.
 - i. Corporation: Exhibits F-1-a-i through F-1-a-iii as referenced in Title 28 CCR 1300.51
 - ii. Partnership: Exhibits F-1-b-i and F-1-b-ii as referenced in Title 28 CCR 1300.51
 - iii. Sole Proprietorship: Exhibit F-1-c as referenced in Title 28 CCR 1300.51
 - iv. Other Organization: Exhibits F-1-d and F-1-d-ii as referenced in Title 28 CCR 1300.51
 - v. Public Agency: Exhibits F-1-e-I through F-1-e-iii as referenced in Title 28 CCR 1300.51.
 - Title 28, CCR, Section 1300.51(d)(F)(1)(a) through (e)
 - 2) Exhibit F-1-f: Individual Information Sheet (Form HP 1300.51.1) for each person named in response to item 1) above. Title 28, CCR, Section 1300.51(d)(F)(1)(f)
 - 3) Exhibits F-2-a and F-2-b: contracts with Affiliated person, Principal

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

Creditors and Providers of Administrative Services.

- 4) Exhibit F-3 Other Controlling Persons.
Title 28, CCR, Section 1300.51(d)(F)
- 5) In addition to Exhibits F, Contractor shall demonstrate compliance with requirements of Title 22 CCR Sections 53874 and 53600. Identify any individual named in this item b. that was an employee of the State of California in the past 12 months. Describe their job position and function while a State employee.
- G. Submit Exhibit M-2: Statements as to each person identified in Section L. Technical Proposal Requirements, Provision 1. Organization and Administration, a. 2) (Exhibit L) and 3). (Exhibit M-1)

Title 28, CCR, Section 1300.51(d)(M)(2)
- H. Submit Exhibits N-1 and N-2: Contracts for Administrative Services.

Title 28, CCR, Section 1300.51(d)(N)(2)
- I. If, within the last five (5) years, Contractor has had a contract terminated or not renewed for poor performance, nonperformance, or any other reason, Contractor shall submit a summary of the circumstances surrounding the termination or non-renewal. Describe the parties involved, including address(es) and telephone number(s). Describe the Contractor's corrective actions to prevent future occurrences of any problems identified.
- J. Contractor shall describe provisions and arrangements, existing, and proposed, for including Medi-Cal Members in their Public Policy Advisory Committee development process. Identify the composition and meeting frequency of any committee participating in establishing the Contractor's public policy. Describe the frequency of the committee's report submission to the Contractor's Governing Body, and the Governing body, and the Governing Body's process for handling reports and recommendations after receipt.
- K. Contractor shall submit policies and procedures for ensuring that all appropriate staff receives sensitivity training relating to SPD beneficiaries.

2. Financial Information

All submitted financial information must adhere to Generally Accepted Accounting Principles (GAAP), unless otherwise noted.

Note: Where Knox-Keene license exhibits are requested, the descriptions of

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

exhibit content may have been amended to address Medi-Cal program needs or industry terminology.

- A. Submit most recent audited annual financial reports
- B. Submit quarterly Financial Statements with the most recent quarter prior to execution of the Contract.
- C. Submit the following Knox-Keene license exhibits reflecting projected financial viability:

- 1) Exhibit HH-1
- 2) Exhibit HH-2

Title 28, CCR, Section 1300.76

- 3) In addition to Exhibit HH-2, include projected Medi-Cal enrollment for each month and cumulative Member months for quarterly financial projections.
- D. Submit Knox-Keene license Exhibit HH-6. Include the following:
 - 1) Exhibit HH-6-a
 - 2) Exhibit HH-6-b
 - 3) Exhibit HH-6-c
 - 4) Exhibit HH-6-d
 - 5) Exhibit HH-6-e

Title 28, CCR, Section 1300.51(d)(HH)

- E. Describe any risk sharing or incentive arrangements. Explain any intent to enter into a stop loss option with DHCS. Also describe any reinsurance and risk-sharing arrangements with any Subcontractors shown in this Contract. Submit copies of all policies and agreements. For regulations related to Assumption of Financial Risk and Reinsurance, see Title 22 CCR Sections 53863 and 53868.
- F. Fiscal Arrangements: Submit the following Knox-Keene license exhibits reflecting current operation status:
 - 1) Exhibit II-1

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

2) Exhibit II-2

3) Exhibit II-3

Title 28, CCR, Section 1300.51(d)(II)

- G. Describe systems for ensuring that Subcontractors, who are at risk for providing services to Medi-Cal Members, as well as any obligations or requirements delegated pursuant to a Subcontract, have the administrative and financial capacity to meet its contractual obligations. Title 28, CCR Section 1300.70(b)(2)(H)1. Title 22 CCR Section 53250.
- H. Submit financial policies that relate to Contractor's systems for budgeting and operations forecasting. The policies should include comparison of actual operations to budgeted operations, timelines used in the budgetary process, number of years prospective forecasting is performed, and variance analysis and follow-up procedures.
- I. Describe process to ensure timely filing of required financial reports. The description should include mechanisms for systems oversight for generating financial and operational information, including a tracking system with lead times and due dates for quarterly and annual reports. Describe how this process coincides with the organization's management information system. Additionally, Contractor shall describe how it will comply with the Administrative cost requirements in Title 22 CCR Section 53864(b).
- J. Submit policies and procedures for a system to evaluate and monitor the financial viability of all subcontracting entities.

3. Management Information System (MIS)

- A. Submit a completed MCO Baseline Assessment Form.
- B. If procuring a new MIS or modifying a current system, Contractor shall provide a detailed implementation plan that includes:
 - 1) Outline of the tasks required;
 - 2) The major milestones;
 - 3) The responsible party for all related tasks;

The implementation plan must also include:

- 1) A full description of the acquisition of software and hardware, including the schedule for implementation;

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

- 2) Full documentation of support for software and hardware by the manufacturer or other contracted party;
 - 3) System test flows through a documented process that has specific control points where evaluation data can be utilized to correct any deviations from expected results;
 - 4) Documentation of system changes related to Exhibit G, Health Insurance Portability and Accountability Act (HIPAA) requirements.
- C. Submit a detailed description, including a diagram and/or flow chart, of how Contractor will monitor the flow of Encounter Data from origination at the Provider level to Contractor, through submission to DHCS.
- D. Submit an Encounter Data test produced using real or proxy data processed by a new or modified MIS to DHCS. Monthly encounter submissions from a new or modified MIS may not take place until this test has been successfully completed and approved by DHCS.
- E. Submit policies and procedures for the submission of complete, accurate, timely, and reasonable Encounter Data.
- F. Submit a work plan for compliance with Exhibit G, Health Insurance Portability and Accountability Act (HIPAA).
- G. Submit the data security, backup, or other data disaster processes used in the event of a MIS failure.
- H. Submit a detailed description of the proposed and/or existing MIS as it relates to the following subsystems;
- 1) Financial
 - 2) Member/Eligibility
 - 3) Provider
 - 4) Encounter/Claims
 - 5) Quality Management/Utilization
- I. Submit a sample and description of the following reports generated by the MIS;
- 1) Member roster

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- 2) Provider Listing
- 3) Capitation Payments
- 4) Cost and Utilization
- 5) System edits/audits
- 6) Claims payment status/processing
- 7) Quality Assurance
- 8) Utilization
- 9) Monitoring of Complaints

4. Quality Improvement System

- A. Submit a flow chart and/or organization chart identifying all components of the QIS and who is involved and responsible for each activity.
- B. Submit policies that specify the responsibility of the governing body in the QIS.
- C. Submit policies for the QI Committee including membership, activities, roles and responsibilities.
- D. Submit procedures outlining how Providers will be kept informed of the written QIS, its activities and outcomes.
- E. Submit policies and procedures related to the delegation of the QIS activities.
- F. Submit boilerplate Subcontract language showing accountability of delegated QIS functions and responsibilities.
- G. Submit a written description of the QIS.
- H. Policies and procedures to address how the Contractor will meet the requirements of:
 - 1) External Accountability Set (EAS) Performance Measures
 - 2) Performance Improvement Projects
 - 3) Consumer Satisfaction Survey

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- I. Submit policies and procedures for performance of Facility Site and Medical Record reviews (FSR Attachments A and B), and for performance of Facility Site Physical Accessibility reviews (FSR Attachment C).
- J. Submit a list of sites to be reviewed prior to initiating plan operation
- K. Submit the aggregate results of pre-operational site review to DHCS at least six (6) weeks prior to Plan operation. The aggregate results shall include all data elements defined by DHCS.
- L. Submit policies and procedures for reporting any disease or condition to public health authorities.
- M. Submit policies and procedures for credentialing and re-credentialing.
- N. Submit policies and procedures for appropriate handling and maintenance of medical records regardless of form (electronic, paper, etc.).

5. Utilization Management (UM)

- A. Submit written description of UM program that describes appropriate processes to be used to review and approve the provision of medical, mental health, and substance use disorder services to demonstrate compliance with mental health parity. Also include the processes to be used for the provision of Medically Necessary Behavioral Health Treatment (BHT) services.
- B. Submit policies and procedures for Prior Authorization, concurrent review, and retrospective review.
- C. Submit a list of services requiring Prior Authorization and the utilization review criteria.
- D. Submit policies and procedures for the utilization review appeals process for Providers and Members.
- E. Submit policies and procedures that specify timeframes for medical authorization.
- F. Submit policies and procedures to detect both under- and over-utilization of health care services.
- G. Submit policies and procedures showing how delegated activities will be regularly evaluated for compliance with Contract requirements and, that any issues identified through the UM program are appropriately resolved; and that UM activities are properly documented and reported.

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6. Provider Network

- A. Submit complete Provider Network showing the ability to serve sixty percent (60%) of the Eligible Beneficiaries, including SPD beneficiaries, in the county pursuant to the Contract.
- B. Submit policies and procedures describing how Contractor will monitor Provider to patient ratios to ensure they are within specified standards.
- C. Submit policies and procedures regarding physician supervision of Non-Physician Medical Practitioners.
- D. Submit policies and procedures for providing emergency services.
- E. Submit a complete list of Specialists by type within the Contractor's Network.
- F. Submit policies and procedures for how Contractor will meet federal requirements for access and reimbursement to Network and/or out-of-Network Federally Qualified Health Center (FQHC), Rural Health Clinic (RHC), and Freestanding Birthing Center (FBC) services.
- G. Submit a GeoAccess report (or similar) showing that the proposed Provider Network meets the appropriate time and distance standards set forth in the Contract.
- H. Submit a policy regarding the availability of a health plan physician 24-hours-a-day, 7-days-a-week, and procedures for communicating with emergency room personnel.
- I. Submit policies and procedures for how Contractor will ensure Network Provider hours of operation are no less than the hours of operation offered to other commercial or FFS patients.
- J. Submit a report containing the names of all subcontracting Provider groups (see Exhibit A, Attachment 6, Provision 11).
- K. Submit an analysis demonstrating the ability of the Contractor's Provider Network to meet the ethnic, cultural, and linguistic needs of Contractor's Members.
- L. Submit policies and procedures for ensuring Subcontractors fully comply with all terms and conditions of this Contract.
- M. Submit all boilerplate Subcontracts.
- N. Submit policies and procedures that establish Traditional and Safety-Net

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

Provider participation standards.

- O. Submit an attestation as to the percentage of Traditional and Safety-Net Providers in the Contractor's Network and agreement to maintain that percentage.

7. Provider Relations

- A. Submit policies and procedures for Provider grievances.
- B. Submit a written description of how Contractor will communicate the Provider grievance process to subcontracting and non-contracting Providers.
- C. Submit protocols for payment and communication with non-contracting Providers.
- D. Submit copy of Contractor's provider manual.
- E. Submit a schedule of Network Provider training to be conducted during year one of operation. Include date, time and location, and complete curriculum.
- F. Submit policies and procedures for ensuring Network Providers receive training on a continuing basis regarding clinical protocols, evidenced-based practice guidelines, and DHCS developed cultural awareness and sensitivity instruction for SPD beneficiaries.
- G. Submit policies and procedures for ensuring Out-of-Network Providers receive Contractor's clinical protocols and evidence-based practice guidelines.
- H. Submit protocols for communicating and interacting with all emergency departments in the Service Area.

8. Provider Compensation Arrangements

- A. Submit policies and procedures regarding timing of Capitation Payments to Primary Care Providers or clinics.
- B. Submit description of any physician incentive plans.
- C. Submit policies and procedures for processing and payment of claims.
- D. Submit policies regarding the prohibition of a claim or demand for services provided under the Medi-Cal managed care contract to any Member.

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- E. Submit FQHC, RHC, and American Indian Health Service Programs Subcontracts.
- F. Submit policies and procedures for the reimbursement of Non-Contracting Certified Nurse Midwives (CNM) and Certified Nurse Practitioners (CNP).
- G. Submit policies and procedures for the reimbursement to local health department and non-contracting family planning Providers for the provision of family planning service, STD episode, and HIV testing and counseling.
- H. Submit policies and procedures for the reimbursement of immunization services to local health department.
- I. Submit policies and procedures regarding payment to non-contracting emergency services Providers. Include schedule of per diem rates and/or FFS rates for each of the following Provider types;
 - 1) Primary Care Providers
 - 2) Medical Groups and Independent Practice Associations
 - 3) Specialists
 - 4) Hospitals
 - 5) Pharmacies
- J. Submit policies and procedures for reporting Provider-Preventable Conditions.

9. Access and Availability

- A. Submit policies and procedures that include requirements for:
 - 1) Appointment scheduling
 - 2) Routine specialty referral
 - 3) First prenatal visit
 - 4) Waiting times
 - 5) After-hours calls
 - 6) Unusual specialty services

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IMPLEMENTATION PLAN AND DELIVERABLES**

- B. Submit policies and procedures for ensuring the timely provision of access standards for:
 - 1) Appropriate clinical timeframes
 - 2) Standards for timely appointments
 - 3) Shortening or expanding timeframes
 - 4) Arranging timely appointments with a Provider shortage.
- C. Submit policies and procedures for the timely referral and coordination of Covered Service to which Contractor or Subcontractor has objections to perform or otherwise support.
- D. Submit policies and procedures for standing referrals.
- E. Submit policies and procedures regarding 24-hr/day access without prior authorization, follow-up and coordination of emergency care services.
- F. Submit policies and procedures regarding access to Certified Nurse Midwives and Certified Nurse Practitioners.
- G. Submit applicable section of Member Services Guide stating Member's right to access family planning services without prior authorization.
- H. Submit policies and procedures for the provision of and access to:
 - 1) Family planning services
 - 2) Sexually transmitted disease treatment
 - 3) HIV testing and counseling services
 - 4) Pregnancy termination
 - 5) Minor consent services
 - 6) Immunizations
- I. Submit policies and procedures regarding access for disabled members pursuant to the Americans with Disabilities Act of 1990.
- J. Submit policies and procedures regarding Contractor and Subcontractor compliance with the Civil Rights Act of 1964.
- K. Submit a written description of the Cultural and Linguistic Services

Exhibit A, Attachment 18
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Program.

- L. Submit a timeline and work plan for the development and performance of a Group Needs Assessment.
- M. Submit policies and procedures for providing cultural competency, sensitivity or diversity training for staff, Providers, and Subcontractors.
- N. Submit policies and procedures for monitoring and evaluation of the Cultural and Linguistic Services Program.
- O. Submit policies and procedures for the provision of 24-hour interpreter services at all Provider sites.
- P. Submit policies and procedures describing the membership of the Community Advisory Committee (CAC) and how Contractor will ensure the CAC will be involved in appropriate policy decisions.
- Q. Submit policies and procedures for providing medically necessary services through Out-of-Network Providers, including allowing access for the completion of Covered Services by an Out-of-Network Provider or terminated Provider.
- R. Submit policies and procedures to ensure access for up to 12 months for SPD beneficiaries who have an ongoing relationship with a Provider.

10. Scope of Services

- A. Submit policies and procedures for ensuring the provision of the Initial Health Assessments (IHA) for adults and children, including the Individual Health Education Behavioral Health Assessment (IHEBA) of the IHA.
- B. Submit policies and procedures for administering the Health Risk Stratification and Assessment to SPD beneficiaries, including other health information used for risk stratification.
- C. Submit Contractor's risk stratification mechanism or algorithm designed for the purpose of identifying newly enrolled SPD beneficiaries as high or low risk.
- D. Submit the plan's risk assessment tool to be used to comprehensively assess an SPD beneficiaries' current health risk and help develop individualized care management plans.
- E. Submit policies and procedures, including standards, for the provision of the following services for Members under 21 years of age:

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- 1) Children's preventive services
 - 2) Immunizations
 - 3) Blood Lead screens
 - 4) Screening for Chlamydia
 - 5) EPSDT services
- F. Submit policies and procedures for the provision of adult preventive services, including immunizations.
- G. Submit policies and procedures for the provision of services to pregnant women, including:
- 1) Prenatal care
 - 2) Use of American College of Obstetricians and Gynecologists (ACOG) standards and guidelines
 - 3) Comprehensive risk assessment tool for all pregnant women
 - 4) Referral to Specialists
- H. Submit a list of appropriate hospitals available within the Provider Network that provide necessary high-risk pregnancy services.
- I. Provide a detailed description of health education system including policies and procedures regarding delivery of services, administration and oversight.
- J. Provide a list and schedule of all health education classes and/or programs.
- K. Submit policies and procedures for the distribution and use of the Health Information Form (HIF) data submitted through the Member Evaluation Tool (MET).
- L. Submit policies and procedures for the provision of:
- 1) Hospice care
 - 2) Vision care – Lenses
 - 3) Mental health services

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- 4) Tuberculosis services
- 5) NEMT/NMT
- M. Submit standards and guidelines for the provision of pharmaceutical services and prescribed drugs, including providing at least a 72-hour supply of a covered outpatient drug when prescribed in an emergency.
- N. Submit a complete drug formulary.
- O. Submit a process for review of drug formulary.
- P. Submit policies and procedures for conducting a Drug Utilization Review (DUR).
- Q. Submit policies and procedures for the UM of covered pharmaceutical services, demonstrating compliance with mental health parity requirements set forth in 42 CFR 438.900 et. seq.

11. Case Management Including Coordination of Care

- A. Submit procedures for monitoring the coordination of care provided to Members. Include procedures used to monitor the provision of Basic Case Management.
- B. Submit procedures for administering and monitoring the provision of Complex Case Management to Members. Include procedures to identify members who may benefit from complex case management services.
- C. Submit policies and procedures for ensuring the provision of Person-Centered Planning for SPD beneficiaries as part of case management and coordination of care.
- D. Submit policies and procedures for ensuring the provision of Discharge Planning.
- E. Submit policies and procedures for coordinating care of Members who are receiving services from a Targeted Case Management Provider.
- F. Submit policies and procedures for the referral of Members under the age of 21 years that require complex case management services.
- G. Submit policies and procedures for administration of a disease management program, including procedures for identification and referral of Members eligible to participate in the disease management program.
- H. Submit policies and procedures for referral and coordination of care for

**Exhibit A, Attachment 18
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Members in need of Specialty Mental Health Services from the county mental health plan or other community resources.

- I. Submit policies and procedures for resolving disputes between Contractor and the county mental health plan.
- J. Submit policies and procedures for identification, referral and coordination of care for Members requiring alcohol or substance use treatment services from both within and, if necessary, outside Contractor's Service Area.
- K. Submit a detailed description of Contractor's program for Children with Special Health Care Needs (CSHCN).
- L. Submit policies and procedures for identifying and referring children to the local CCS program.
- M. Submit policies and procedures for the identification, referral and coordination of care for Members with developmental disabilities in need of non-medical services from the local Regional Center and the DDS-administered Home and Community Based Waiver Program. Include the duties of the Regional Center Liaison.
- N. Submit policies and procedures for the identification, referral and coordination of care for Members at risk of developmental delay and eligible to receive services from the local Early Start Program.
- O. Submit policies and procedures for case management coordination of care of LEA services, including Primary Care Physician involvement in the development of the Member's Individual Education Plan or Individual Family Service Plan.
- P. Submit policies and procedures for case management coordination of care of Members who receive services through local school districts or school sites.
- Q. Submit a description of the cooperative arrangement Contractor has with the local school districts, including the Subcontracts or written protocols/guidelines, if applicable.
- R. Submit policies and procedures describing the cooperative arrangement that Contractor has regarding care for children in Foster Care.
- S. Submit policies and procedures for identification and referral of Members eligible to participate in the HIV/AIDS Home and Community Based Waiver Program.
- T. Submit policies and procedures for the provision of dental screening and

Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES

covered medical services related to dental services.

- U. Submit policies and procedures for coordination of care and case management of Members with the LHD TB Control Officer.
- V. Submit policies and procedures for the assessment and referral of Members with active TB and at risk of non-compliance with TB drug therapy to the LHD.
- W. Procedures to identify and refer eligible Members for WIC services.
- X. Submit policies and procedures for the assessment and subsequent disenrollment of Members eligible for the following services:
 - 1) Major organ transplants
 - 2) Waiver Programs
- Y. Submit policies and procedures for assessment of transitional needs of members into and out of Complex Case Management services:
 - 1) At the request of PCP or Member
 - 2) Achievement of targeted outcomes
 - 3) Change of healthcare setting
 - 4) Loss or change in benefits
 - 5) Member non-compliance

12. Local Health Department Coordination

- A. Submit executed Subcontracts or documentation substantiating Contractor's efforts to enter into Subcontracts with the LHD for the following public health services:
 - 1) Family planning services
 - 2) STD services
 - 3) HIV testing and counseling
 - 4) Immunizations
- B. Submit executed Subcontracts, Memoranda of Understanding, or documentation substantiating Contractor's efforts to negotiate an

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agreement with the following programs or agencies:

- 1) California Children Services (CCS)
- 2) Maternal and Child Health
- 3) Child Health and Disability Prevention Program (CHDP)
- 4) Tuberculosis Direct Observed Therapy
- 5) Women, Infants, and Children Supplemental Nutrition Program (WIC)
- 6) Regional Centers for Services for Persons with Developmental Disabilities.
- 7) Local Governmental Agencies for Targeted Case Management services.
- 8) County department for alcohol and substance use disorder treatment services.

- C. Executed MOU or documentation substantiating Contractor's efforts to negotiate a MOU with the county mental health plan.

13. Member Services

- A. Submit policies and procedures that address Member's rights and responsibilities. Include method for communicating them to both Members and Providers.
- B. Submit policies and procedures for providing communication access to SPD beneficiaries in alternative formats or through other methods that ensure communication, including assistive listening systems, sign language interpreters, captioning, written communication, plain language or written translations and oral interpreters, including for those who are limited English-proficient (LEP), or non-English speaking.
- C. Submit the following consistent with the requirements of Exhibit E, Attachment 2, Provision 21, Confidentiality of Information. Submit policies addressing Member's rights to confidentiality of medical information. Include procedures for release of medical information.
- D. Submit policies and procedures for addressing advance directives.
- E. Submit policies and procedures for the training of Member Services staff.

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- F. Submit policies and procedures regarding the development content and distribution of Member information. Address appropriate reading level and translation of materials.
- G. Submit final draft of Member Identification Card and Member Services Guide.
- H. Submit policies and procedures for notifying Members of changes in availability or location of Covered Services.
- I. Submit policies and procedures for Member selection of a Primary Care Physician or Non-Physician Medical Practitioner. Include the mechanism used for allowing SPD beneficiaries to request a Specialist to serve as their PCP.
- J. Submit policies and procedures for Member assignment to a Primary Care Physician. Include the use of utilization data and other data in linking a SPD beneficiary to a PCP.
- K. Submit policies and procedures for notifying Primary Care Provider that a Member has selected or been assigned to the Provider within 7-days.
- L. Submit policies and procedures demonstrating how, upon entry into Contractor's Network, the relationship between Traditional and Safety-Net Providers and their patients is not disrupted, to the maximum extent possible.
- M. Submit policies and procedures for notifying Members for denial, deferral, or modification of requests for Prior Authorization.

14. Member Grievance and Appeal System

- A. Submit policies and procedures relating to Contractor's Member Grievance and Appeal System.
- B. Submit policies and procedures for Contractor's oversight of their Grievance and Appeal System for the receipts, processing and distribution including the expedited review of Appeals. Include a flow chart to demonstrate the process.
- C. Submit format for Quarterly Grievance and Appeal Log and Report.
- D. Submit policies and procedures relating to Contractor's Appeals process. Include Contractor's responsibilities in expedited Appeals and State Fair Hearings.

15. Marketing

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

- A. Submit policies and procedures for training and certification of Marketing Representatives.
- B. Submit a description of training program, including the marketing representative's training/certification manual.
- C. Submit Contractor's marketing plan.
- D. Submit copy of boilerplate request form used to obtain DHCS approval of participation in a marketing event.

16. Enrollments and Disenrollments

- A. Submit policies and procedures for how Contractor will update and maintain accurate information on its contracting Providers.
- B. Submit policies and procedures for how Contractor will access and utilize enrollment data from DHCS.
- C. Submit policies and procedures relating to Member disenrollment.

17. Health Insurance Portability and Accountability Act (HIPAA)

Submit the following consistent with the requirements of Exhibit G.

- A. Submit policies and procedures for compliance with the Health Insurance Portability and Accountability Act of 1996.

18. Community Based Adult Services (CBAS)

Submit the following consistent with the requirements of Exhibit A, Attachment 19.

- A. Submit policies and procedures for referring a Member to a CBAS Provider.
- B. Submit policies and procedures on arranging for the provision of CBAS unbundled services.
- C. Submit policies and procedures for providing Enhanced Case Management services.
- D. Submit policies and procedures for the initial assessment and reassessment of Members for eligibility to receive CBAS.
- E. Submit policies and procedures for an expedited assessment process.

**Exhibit A, Attachment 18
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- F. Submit final draft of the written notice to be sent to Members after a CBAS assessment determination that results in a change to the Member's CBAS benefit.

19. Mental Health and Substance Use Disorder Benefits

Submit the following consistent with the requirements of Exhibit A, Attachment 20.

- A. Submit policies and procedures for adding licensed mental health Providers to the Network, including which services shall be offered by licensed mental health Providers.
- B. Submit policies and procedures for ensuring timely access to Outpatient Mental Health Services.
- C. Submit any Subcontract boilerplate developed for a county mental health plan.
- D. Submit policies and procedures for subcontracting with county mental health plans in order to comply with access standards.
- E. Submit policies and procedures for verifying the credentials of licensed mental health Providers of Outpatient Mental Health Services.
- F. Submit policies and procedures for contracting with out-of-Network and Tele-health mental health services Providers.
- G. Submit policies and procedures for exchanging Member information with the county mental health plan.
- H. Submit policies and procedures for handling of psychiatric emergencies during non-business hours.
- I. Submit policies and procedures that define and describe what mental health services are to be provided by a licensed mental health care Provider.
- J. Submit policies and procedures for when a Member becomes eligible for Specialty Mental Health Services during the course of receiving medically necessary Outpatient Mental Health Services.
- K. Submit policies and procedures for the provision of Alcohol Misuse Screening and Counseling (AMSC) services, including:
 - 1) Provision of AMSC by a Member's PCP to identify, reduce, and

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

prevent problematic substance use;

- 2) Referral, without requiring Prior Authorization, to AMSC services for Members whose PCPs do not offer AMSC; and
- 3) Referral, without requiring Prior Authorization, of Members to substance use disorder treatment when there is a need beyond AMSC.

20. Managed Long-Term Services and Supports

Submit the following consistent with the requirements of Exhibit A, Attachment 21.

- A. Submit policies and procedures for the provision of services at non-contracted Long Term Care (LTC) facilities.
- B. Submit an addition to the policies and procedures related to Provider training required in Provision 7 of this Attachment that includes key elements of operating a successful program for administering MLTSS.
- C. Submit policies and procedures for the provision of LTC, and the Multipurpose Senior Services Program (MSSP), as Covered Services.
- E. Submit policies and procedures for the provision of continuity of care through continued access to either a CBAS Provider with whom there is an existing relationship for up to 12 months after Full Benefit Dual Eligible Member enrollment or an LTC Provider with whom there is an existing relationship until December 31, 2016.
- F. Submit policies and procedures for the risk stratification process conducted for Full Benefit Dual Eligible, Partial Dual Eligible, and Medi-Cal Only Members.
- G. Submit policies and procedures for the development of an Individual Care Plan (ICP) and assembling an Interdisciplinary Care Team (ICT) for Medi-Cal Only Members who are assessed to be high risk.
- H. Submit policies and procedures for using utilization data to establish existing Provider relationships for Full Benefit Dual Eligible Members, Partial Dual Eligible Members, and Medi-Cal Only Members.

21. Budget Detail and Payment Provisions

Submit documentation of the Coordination of Benefits Agreement (COBA) that Contractor has entered into with Medicare.

**Exhibit A, Attachment 18
IMPLEMENTATION PLAN AND DELIVERABLES**

22. Program Terms and Conditions

- A. Submit policies and procedures explaining Contractor's data certification reporting method. Policies and procedures must include a template certification statement.
- B. Submit policies and procedures for the treatment of recoveries, including retention policies, process, timeframes, and documentation for reporting, for all recovery of Overpayments.

**Exhibit A, Attachment 19
COMMUNITY BASED ADULT SERVICES (CBAS)**

1. Provider Network

In addition to Exhibit A, Attachment 6, Provider Network, Contractor also agrees to the following:

- A. Contractor shall ensure that every ADHC Provider within their service area that has been approved by the California Department of Aging as a CBAS Provider as of July 1, 2012, is included in their Network, to the extent that the CBAS Provider remains licensed, certified, operating, and is willing to enter into a subcontract with Contractor on mutually agreeable terms and meets the Contractor's credentialing and quality standards.
- B. If Contractor determines that additional CBAS Providers are necessary to meet the needs of its Members, Contractor may extend a contract to any CBAS Provider certified by the California Department of Aging after July 1, 2012. Contractor shall consider a Member's relationship with previous CBAS Providers when ensuring access to CBAS. Contractor shall not be required to include CBAS Providers that were certified by the California Department of Aging after July 1, 2012 in their Provider Network.
- C. If Contractor determines that Member needs for CBAS exceeds Contractor's CBAS Provider capacity, Contractor shall arrange for access to unbundled services in accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.m.
- D. Contractor shall include CBAS Provider information within the quarterly Provider Network Report submission in Exhibit A, Attachment 6, Provision 11.
- E. Contractor may exclude any CBAS Provider from its Network, to the extent that the Contractor and CBAS Provider cannot agree to terms, the CBAS Provider does not meet Contractor's credentialing or quality standards, is terminated pursuant to the terms of the CBAS Provider's contract with Contractor, or otherwise ceases its operations as a CBAS Provider.
- F. Contractor shall notify DHCS when unable to contract with a certified CBAS Provider or upon termination of a CBAS Provider contract:
 - 1) If Contractor and a CBAS Provider cannot agree on mutually agreeable terms, the Contractor must notify DHCS within five (5) working days of the Contractor's decision to exclude the CBAS Provider from its Provider Network. DHCS will attempt to resolve the contracting issue when appropriate.
 - 2) Contractor shall provide DHCS with notice of its termination of a CBAS Provider contract at least 60 days prior to the contract

Exhibit A, Attachment 19
COMMUNITY BASED ADULT SERVICES (CBAS)

termination effective date.

2. Covered Services

In addition to Exhibit A, Attachment 10, Provision 1, Covered Services and in accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.f. and g., Contractor agrees to provide CBAS from October 1, 2012 through August 31, 2014, and shall:

- A. Arrange for the provision of CBAS to Members determined eligible to receive CBAS in accordance with Provision 4, Assessment and Reassessment of Community Based Adult Services.
- B. Consider a Member's relationship with a previous Provider of services similar to CBAS when referring a Member to a CBAS Provider.
- C. Seek to offer CBAS as a bundled service through a certified CBAS Provider.
- D. Arrange for the provision of unbundled services based on the assessed needs of the Member eligible for CBAS if a certified CBAS Provider is not available or not contracted, or there is insufficient CBAS Provider capacity in the area. In accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.m. unbundled services are limited to:
 - 1) Services authorized by Contractor
 - a) Professional Nursing Services
 - b) Nutrition
 - c) Physical Therapy
 - d) Occupational Therapy
 - e) Speech and Language Pathology Services
 - f) NEMT only between the Member's home and the CBAS unbundled service Provider

Exhibit A, Attachment 19
COMMUNITY BASED ADULT SERVICES (CBAS)

- 2) Services coordinated by Contractor. In addition to the requirements for unbundled CBAS contained in this provision, and in accordance with Exhibit A, Attachment 11, Provision 5, Out-of-Network Case Management and Coordination of Care, Contractor shall coordinate care for unbundled CBAS, based on the assessed needs of the member eligible for CBAS, that are not covered services, including:
 - a) Personal Care Services
 - b) Social Services
 - c) Physical and Occupational Maintenance Therapy
 - d) Meals
 - e) Mental Health Services
- E. If a Member has been determined CBAS eligible by DHCS and is receiving care from a CBAS Provider pending assessment by the Contractor, Contractor shall continue the provision of CBAS until an assessment has been completed in accordance with Provision 4, Assessment and Reassessment of Community Based Adult Services.
- F. Contractor shall not impede or delay Member access to Medicare Providers or services through its provision of CBAS or ECM.

3. Enhanced Case Management

Contractor shall provide ECM benefits in accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 92.b. and in addition to Exhibit A, Attachment 11, Provision 1, Comprehensive Case Management Including Coordination of Care Services.

- A. Contractor shall ensure the provision of Enhanced Case Management (ECM) services from April 1, 2012, through August 31, 2014 to Members who received Adult Day Health Care (ADHC) services from Medi-Cal at any time between July 1, 2011 and February 29, 2012 and who are determined to be ineligible for CBAS.
- B. A Member determined to be eligible for ECM may at a later date be determined eligible for CBAS. If the Member receives CBAS, the Member will no longer receive ECM. If at a later time the Member no longer receives CBAS, the Member will then be eligible to receive ECM.
- C. A Member eligible for ECM who receives CBAS at some time between April 1, 2012 and August 31, 2014, is eligible to receive ECM for any time

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COMMUNITY BASED ADULT SERVICES (CBAS)

period during which they do not receive the CBAS benefit. A Member shall not receive ECM and CBAS concurrently.

- D. For Members who had received ADHC services between July 1, 2011 and February 29, 2012 but are ineligible to receive CBAS, Contractor shall continue to approve the provision of CBAS until ECM service referrals are made, a care plan has been developed, and Contractor has referred the Member to services as advised in the care plan.
- E. Contractor may contract with a CBAS Provider or other appropriate entity for the provision of ECM services to eligible Members.
- F. Contractor shall attempt to contact Members who had received ADHC services between July 1, 2011 and February 29, 2012 but are ineligible to receive CBAS a minimum of three (3) separate times to initiate ECM. If the Member refuses to engage in ECM or Contractor is unable to make contact with the Member after three (3) separate attempts, Contractor's obligation will have been met. Contractor shall provide ECM services in accordance with the requirements in this provision if the Member requests it after outreach effort obligations have been met.

4. Assessment and Reassessment for CBAS

Contractor shall ensure that the initial assessment and reassessment procedures for Members requesting CBAS, or who have previously been deemed eligible to receive CBAS, meet the following minimum requirements:

- A. Contractor shall ensure appropriate staff responsible for conducting, managing, and/or training for an initial assessment or reassessment of Members for CBAS shall receive training from DHCS on using the approved assessment tool.
- B. Contractor shall conduct the CBAS eligibility determination of a Member requesting CBAS using the assessment tool approved by DHCS. CBAS eligibility determinations shall include a face-to-face review of the Member. Contractor shall include a Registered Nurse with level of care experience and a social worker on the assessment team, either as an employee or as a sub-contractor.
- C. Contractor shall develop and implement an expedited assessment process to determine CBAS eligibility when informed of Members in a hospital or skilled nursing facility whose discharge plan includes CBAS, or who are at high risk of admission to a skilled nursing facility.
- D. Contractor shall reassess and redetermine the Member's eligibility for CBAS at least every six (6) months after initial assessment, or whenever a change in circumstances occurs that may require a change in the

Exhibit A, Attachment 19
COMMUNITY BASED ADULT SERVICES (CBAS)

Member's CBAS benefit.

- E. If Member is already receiving CBAS and requests that services remain at the same level or be increased due to a change in level of need, Contractor may conduct the reassessment using only the Member's IPC, including any supporting documentation supplied by the CBAS Provider.
- F. Contractor shall not deny, defer, or reduce a requested level of CBAS for a Member without a face-to-face review performed by a Registered Nurse with level of care experience and utilizing the assessment tool approved by DHCS.
- G. Contractor shall notify Members in writing of the CBAS assessment determination in accordance with the timeframes identified in Exhibit A, Attachment 13, Provision 8, Denials, Deferrals, or Modifications of Prior Authorization Requests. Contractor's written notice shall be approved by DHCS and include procedures for Grievances and Appeals in accordance with current requirements identified in Exhibit A, Attachment 14, Member Grievance and Appeal System.
- H. Contractor shall require that CBAS Providers complete a CBAS Discharge Plan of Care for any Members who have been determined to no longer need CBAS.

5. Required Reports for the CBAS Program

Contractor shall submit to DHCS the following reports 30 calendar days following the end of the reporting quarter and in a format specified by DHCS.

- A. Contractor shall report to DHCS the number of Members who received ADHC services from July 1, 2011 to February 29, 2012 and have been determined ineligible to receive CBAS and have received ECM services, within the specified reporting time period.
- B. Contractor shall report to DHCS how many Members have been assessed for CBAS, the total number of Members currently being provided with CBAS, both as a bundled or unbundled service.
- C. In addition to the requirements set forth in Exhibit A, Attachment 13, Provision 3, Call Center Reports, Contractor shall also include a review of any complaints surrounding the provision of CBAS benefits.
- D. In addition to the requirements set forth in Exhibit A, Attachment 14, Provision 3, Grievance Log and Grievance Quarterly Reports, Contractor shall also include reports on the following areas:
 - 1) Appeals related to requesting CBAS and inability to receive those

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COMMUNITY BASED ADULT SERVICES (CBAS)

services or receiving more limited services than requested

- 2) Appeals related to requesting a particular CBAS Provider and inability to access that Provider
- 3) Excessive travel times to access CBAS
- 4) Grievances regarding CBAS Providers
- 5) Grievances regarding Contractor assessment and/or reassessment.

6. Payment Rates to CBAS Providers

- A. All CBAS Providers, whether contracted or not, will be reimbursed for providing the CBAS benefit between July 1, 2012 and August 31, 2014 at the rate described below, minus ten percent, except in exempted Medical Service Study Areas, which will receive the rates below:
 - 1) Comprehensive multidisciplinary evaluation - \$80.08 per evaluation.
 - 2) Community-Based Adult Services, adult - \$76.27 per day.
 - 3) Screening to determine the appropriateness of consideration of an individual for participation in a specified program, project or treatment protocol, per encounter - \$64.83 per encounter.
- B. Contractor shall not be required to pay more than the Medi-Cal fee schedule as detailed in the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.m. for unbundled CBAS.

Exhibit A, Attachment 20
MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS

1. Outpatient Mental Health Services Providers

In addition to Exhibit A, Attachment 6, Provider Network, Provision 1. Network Capacity, Contractor shall also include Outpatient Mental Health Services Providers in its Provider Network in accordance with 42 CFR 438.206, 207, and 208, as applicable. The number of Outpatient Mental Health Services Providers shall be adequate to serve Members within its Service Area and provide covered Outpatient Mental Health Services benefits. Contractor's Outpatient Mental Health Services Providers shall support current and desired service utilization trends for its Members.

- A. Contractor shall increase the number of Outpatient Mental Health Services Providers within its Network as necessary to accommodate enrollment growth. Contractor may subcontract with any mental health care Provider within their scope of practice.
- B. The number of Outpatient Mental Health Services Providers available shall be sufficient to meet referral and appointment access standards for routine care and shall meet the Timely Access Regulation per Healthy and Safety Code, Section 1367.03, Rule 1300.67.2.2, in accordance with the requirements set forth in Exhibit A, Attachment 9, Access and Availability, Provision 4. Access Standards.
 - 1) Contractor may subcontract with a county mental health plan to ensure access to Outpatient Mental Health Services. A subcontracted Network shall be deemed adequate upon submission and approval of Contractor's subcontract boilerplate for a county mental health plan.
 - 2) In addition to Exhibit A, Attachment 4, Quality Improvement System, Provision 12, Credentialing and Recredentialing, Contractor shall consider Outpatient Mental Health Services Providers as credentialed if the Provider has accreditation from NCQA.
 - 3) In addition to Exhibit A, Attachment 4, Quality Improvement System, Provision 12, Credentialing and Recredentialing, Contractor shall develop and maintain policies and procedures that ensure that the credentials of licensed Outpatient Mental Health Services Providers have been verified in accordance with 42 CFR 438.214 and APL 16-012.
 - 4) Any time that a Member requires a Medically Necessary Outpatient Mental Health Service that is not available within the Provider Network, Contractor shall ensure access to Out-of-Network Providers and Telehealth mental health Providers as necessary to meet access requirements.

Exhibit A, Attachment 20
MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS

- 5) Contractor shall develop and implement policies and procedures for the exchange of Member information with the county mental health plan in order to facilitate referrals and care coordination. The policies and procedures shall cover:
 - a) Protected Health Information (PHI) with the county mental health plan for Specialty Mental Health Services, and if separate, the county department responsible for substance use treatment, including Member release of information forms that allow treatment history, active treatment, and health information.
 - b) Data sharing agreements with the county mental health plan for Specialty Mental Health Services, and if separate, the county department responsible for substance use treatment, including a Business Associate Agreement that addresses coordination of information related to mental health services and AMSC.
 - c) Data tracking of Members receiving Medi-Cal Outpatient Mental Health Services

2. Emergency Services

- A. In addition to the requirements set forth in Exhibit A, Attachment 12, Local Health Department Coordination, Contractor shall have a Memorandum of Understanding (MOU) with the county mental health plan to refer Members in need of urgent and emergency care, including person-to-person telephone transfers, to the county crisis program during their call center hours. The MOU shall be executed in accordance with the requirements specified in Exhibit A, Attachment 10, Scope of Services, and Exhibit A, Attachment 11, Case Management and Coordination of Care.
- B. In addition to the requirement in the above provision, Contractor shall also ensure a Member access to a first response by their existing mental health Provider during an urgent care situation, when possible. Contractor shall allow the Member's mental health Provider to coordinate care with the county mental health plan or emergency room personnel for urgent care.
- C. Contractor shall develop and implement policies and procedures for the provision of psychiatric emergencies during non-business hours.

3. Provider Network Reports

Exhibit A, Attachment 20

MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS

- A. In addition to the requirements set forth in Exhibit A, Attachment 6, Provider Network, Provision 11. Provider Network Report, the Provider Network report shall identify the number of licensed mental health care Providers. The report shall include:
 - 1) Mental health care Provider deletions and additions.
 - 2) The percentage of Providers who deliver services through the Telehealth method, if applicable.
- B. Contractor shall submit monthly reports on Outpatient Mental Health Services Providers for the first six (6) months of the implementation of this Amendment, or a new contract, and in a format specified by DHCS. Subsequent reports shall be consistent with the requirements of this Contract.

4. Outpatient Mental Health Care Services

- A. Outpatient Mental Health Services are those services set forth in the Welfare and Institutions Code, Article 5.9, Section 14189, unless otherwise specifically excluded under the terms of this Contract.
- B. In order to determine whether Outpatient Mental Health Services and substance use disorder services are Medically Necessary, Contractor shall apply the criteria of Medical Necessity as stated in APL 17-016 and 17-018.
- C. Contractor shall cover Outpatient Mental Health Services and substance use disorder services that are within the scope of practice for licensed mental health care Providers as follows:
 - 1) Individual/group mental health evaluation and treatment (psychotherapy);
 - 2) Psychological testing when clinically indicated to evaluate a mental health condition;
 - 3) Outpatient services for the purpose of monitoring drug therapy;
 - 4) Psychiatric consultation;
 - 5) Outpatient laboratory, supplies, and supplements; and
 - 6) AMSC for alcohol use disorders.
- D. Contractor shall cover an initial mental health assessment without requiring Prior Authorization and follow the authorization criteria outlined in

Exhibit A, Attachment 20
MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS

Exhibit A, Attachment 5 of this Contract for authorizing additional mental health and substance use disorder services.

- E. Contractor shall develop and implement policies and procedures for mental health services provided by a PCP, including the following services:
 - 1) AMSC for alcohol use disorders; and
 - 2) Referrals for additional assessment and treatment.
- F. Contractor shall develop and implement policies and procedures to define and describe what services are to be provided by a PCP or a licensed mental health care Provider. These policies and procedures shall cover the provision of the following services:
 - 1) Individual/group mental health evaluation and treatment (psychotherapy);
 - 2) Psychological testing when clinically indicated to evaluate a mental health condition;
 - 3) Outpatient services for the purpose of monitoring drug therapy;
 - 4) Psychiatric consultation, outpatient laboratory, supplies, and supplements; and
 - 5) AMSC for alcohol use disorders.
- G. If a Member becomes eligible for Specialty Mental Health Services during the course of receiving medically necessary Outpatient Mental Health Services, Contractor shall continue the provision of non-duplicative, Medically Necessary Outpatient Mental Health Services.

5. Alcohol and Substance Use Disorder Treatment Services

Contractor shall ensure the provision of AMSC services by a Member's PCP to identify, reduce, and prevent problematic use, abuse, and dependence on alcohol.

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

1. Extent of Requirements

This Attachment and the requirements herein are hereby incorporated in full into the Contract. The requirements included in this Attachment are specific to Full Benefit Dual Eligible Members, Partial Dual Eligible Members, and Medi-Cal Only Members receiving Medi-Cal benefits under the terms of this Contract. Neither Contractor nor DHCS shall interpret any of the requirements in this Attachment to apply to any Member that is not defined as a Full Benefit Dual Eligible Member, Partial Dual Eligible Members, and Medi-Cal Only Members.

2. Quality Improvement System

In addition to Exhibit A, Attachment 4, Quality Improvement System, Provision 12. Credentialing and Recredentialing, Contractor is not responsible for credentialing Multipurpose Senior Services Program (MSSP) Providers. Credentialing MSSP Providers is the responsibility of the California Department of Aging (CDA).

3. Utilization Management

Notwithstanding Exhibit A, Attachment 5, Utilization Management, Provision 2. Prior Authorizations and Review Procedures, Contractor shall not authorize MSSP services. Contractor shall refer Members who are potentially eligible for MSSP to MSSP Providers for authorization. Contractor shall collaborate and coordinate MSSP care management services with MSSP Providers.

4. Provider Network

In addition to Exhibit A, Attachment 6, Provider Network, Contractor also agrees to the following:

- A. Contractor shall ensure that every contracted Long Term Care (LTC) Provider and MSSP site within the Service Area approved by the California Department of Public Health (CDPH) and CDA as a qualified Provider is included in their Network, to the extent that the Provider remains licensed, certified, operating, and is willing to enter into a subcontract with Contractor on mutually agreeable terms and meets the Contractor's credentialing and quality standards.
- B. If Contractor determines that additional LTC Providers are necessary to meet the needs of its Members, Contractor may extend a contract or letter of agreement to any additional Providers certified by CDPH.
- C. If Contractor determines that Member needs for LTC services exceed Contractor's Network capacity, Contractor shall arrange for access to Out-of-Network Providers in accordance with the requirements of this Contract as stated in Exhibit A, Attachment 9, Access and Availability, Provision 16.

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

Out-of-Network Providers.

- D. In addition to the subcontract termination requirements in Exhibit A, Attachment 6, Provision 14. Subcontracts, and the Member notification requirements in Exhibit A, Attachment 13, Member Services, Provision 5. Notification of Changes in Access to Covered Services, Contractor shall notify DHCS upon termination of an LTC Provider contract:
- 1) If Contractor and an LTC Provider cannot agree on mutually agreeable terms, Contractor must notify DHCS within five (5) working days of Contractor's decision to exclude the LTC Provider from its Provider Network. DHCS will attempt to resolve the contracting issue when appropriate.
 - 2) Contractor shall provide DHCS with notice of its termination of a contract with an LTC Provider at least 60 days prior to the contract termination effective date.
 - 3) If termination of an LTC Provider contract is for a cause related to quality of care or patient safety concerns, Contractor may expedite termination of the LTC Provider contract and transfer Members to an appropriate, contracted LTC facility in an expeditious manner. DHCS shall be notified of the termination within 72 hours of said termination.
 - 4) Contractor shall not continue to assign or refer Members to an LTC Provider during the 60 days between notifying DHCS and the contract termination effective date.
- E. Any subcontract that Contractor enters into with a CDA qualified MSSP site, for either the provision of health care service or to perform an administrative function, shall be submitted to DHCS for prior approval at least 60 calendar days prior to the effective date of the contract. DHCS shall acknowledge in writing the receipt of any subcontract sent to DHCS by Contractor for approval within five (5) working days of receipt. These subcontracts shall not be effective until written approval is provided by DHCS and CDA or by operation of law where DHCS has acknowledged receipt of the proposed subcontract, and has neither approved nor rejected the proposed subcontract within 60 calendar days of receipt.
- 1) Contractor shall also submit a subcontract for MSSP to DHCS for approval even if the Subcontractor has been previously approved by DHCS and CDA for another program.
 - 2) Any new or updated subcontract that makes a material change to the subcontract must be re-submitted to DHCS. Previous subcontract approval shall be valid only until such time as the new or amended

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

subcontract is approved by DHCS and CDA.

- F. Subcontract amendments shall be submitted to DHCS for prior approval at least 30 calendar days before the effective date of any proposed changes governing compensation, services, or term. Proposed changes which are neither approved nor rejected by DHCS and CDA shall become effective by operation of law 30 calendar days after DHCS has acknowledged receipt or upon the date specified in the subcontract amendment, whichever is later.

5. Provider Relations

In addition to Exhibit A, Attachment 7, Provider Relations, Contractor shall include in regular Provider training key elements of operating a successful program for administering MLTSS, including such topics as the applicable assessment tools and processes, Person-Centered Planning, population specific training and self-direction, information technology, billing, and systems operations.

6. Provider Compensation Arrangements

In addition to Exhibit A, Attachment 8, Provider Compensation Arrangements, Contractor also agrees to the following:

- A. Skilled Nursing Facilities and Nursing Facilities (SNF/NF) claims are to be paid in accordance with Welfare and Institutions (W&I) Code Sections 14182.16 and 14186.3.
- B. MSSP invoices submitted by subcontracted MSSP sites for MSSP services are to be paid in a timely manner upon verification of the accuracy and validity of the services invoiced therein, and in accordance with Contractor's subcontract with the MSSP site.
- C. For MSSP services, Contractor must follow the processes pursuant to W&I Code Section 14186.3 (b)(7)(A).

7. Covered Services

Contractor shall provide MLTSS based on a Member's current assessment, conducted in accordance with the requirements of this Contract, and consistent with Person-Centered Planning. LTC, and MSSP are Covered Services under this Contract. In addition to Exhibit A, Attachment 10, Scope of Services, Contractor shall also cover MSSP and LTC in accordance with the following requirements:

- A. Contractor shall cover Medically Necessary LTC from the time of admission into an appropriate facility to either the Member's release from the facility or to the Member electing to receive hospice services.

Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS

- 1) Contractor shall ensure that Members in need of LTC are placed in a facility that provides the level of care most appropriate to the Member's medical needs. These health care facilities include SNF/NF, subacute facilities, and Intermediate Care Facilities.
 - 2) Contractor shall base decisions on the appropriate level of care on the definitions set forth in Title 22 CCR Sections 51118, 51120, 51120.5, 51121, 51124.5, and the criteria for admission set forth in Title 22 CCR Sections 51335, 51335.5, and 51334 and related sections of the Manual of Criteria for Medi-Cal Authorization referenced in Title 22 CCR Section 51003(e).
 - 3) Upon admission to an appropriate facility, Contractor shall assess the Member's health care needs and estimate the potential length of stay of the Member.
 - 4) Contractor shall provide continuity of care for all Medically Necessary LTC services at non-contracting LTC facilities for those Full Benefit Dual Eligible Members, Partial Dual Eligible Members, and Medi-Cal Only Members residing in an LTC facility at the time of enrollment into Medi-Cal managed care. Contractor shall not require said Members residing in non-contracted facilities to relocate unless it is determined that relocation is Medically Necessary or if the non-contracted LTC facility does not meet the requirements set forth in Provision 8, Paragraph B of this Attachment.
- B. Contractor shall cover MSSP in accordance with the eligibility determination as performed by the appropriate MSSP site, and ensure the provision of these services in accordance with the requirements set forth below in Provision 8. Coordination of Care.
- 1) Contractor shall not be required to determine Member eligibility to receive MSSP.
 - 2) Contractor shall refer MSSP eligibility determination to the MSSP site for approval.
 - 3) Contractor shall refer to the MSSP site for confirmation of Member eligibility and to verify if the Member has been enrolled in MSSP.
- C. Contractor shall continue to cover MSSP for 19 months after the commencement of MSSP as a managed care benefit.

8. Coordination of Care

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

In addition to Exhibit A, Attachment 11, Case Management and Coordination of Care, Contractor also agrees to the following:

- A. Contractor shall maintain continuity of care for Members by recognizing any prior treatment authorization made by DHCS for not less than six (6) months following Member enrollment, in accordance with W&I Code Section 14186.3(c)(3).
- B. Contractor shall provide continuity of care to Members through continued access to a CBAS Provider with whom there is an existing relationship for up to 12 months after Member enrollment, or a LTC Provider with whom there is an existing relationship. This requirement shall include Out-of-Network Providers if there are no quality of care issues and the Provider will accept Contractor or Medi-Cal FFS rates, whichever is higher, per the continuity of care requirements set forth in Exhibit A, Attachment 9, Access and Availability, Provision 16. Out-of-Network Providers.
- C. Contractor shall assess risk level and needs for each new Full Benefit Dual Eligible and Partial Dual Eligible Member, as well as current Full Benefit Dual Eligible and Partial Dual Eligible Members upon request, by performing a risk stratification process in accordance with APL 17-012 and, with a particular focus on identifying those Members who may need CBAS, LTC and MSSP.
- D. Contractor shall also assess risk level for each new Medi-Cal Only Member, as well as current Medi-Cal Only Members upon request, by performing a risk stratification process as set forth in APL 17-013 and in accordance with APL 17-012.
- E. Contractor shall develop a health risk assessment for Medi-Cal Only Members as set forth in APL 17-013 and in accordance with APL 17-012.
- F. Contractor shall retain and compile a copy of each assessment conducted on behalf of Full Benefit Dual Eligible and Partial Dual Eligible Members through MSSP, CBAS, and/or LTC. Contractor shall review these assessments and determine if any further care coordination of services for the Member is appropriate.
- G. In accordance with W&I Code Section 14182.17(d)(3)(A), Contractor shall not assign a Full Benefit Dual Eligible Member to a PCP, unless it is determined through the risk stratification and assessment process that PCP assignment is necessary in order to properly coordinate the care of the beneficiary or upon the beneficiary's request. The determination to assign a Full Benefit Dual Eligible Member to a PCP shall be done in accordance with APL 14-015.
- H. Contractor shall ensure that coordination of care services for Partial Dual

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

Eligible Members and Medi-Cal Only Members reflect a person-centered, outcome-based approach and shall:

- 1) Follow the Member's direction about the level of involvement of their caregivers or medical Providers;
 - 2) Coordinate medical care and CBAS, MSSP, IHSS, and LTC with a focus on transitions;
 - 3) Coordinate with county agencies and Providers, if applicable, for necessary and appropriate behavioral health services; and
 - 5) Follow the requirements for Person-Centered Planning set forth for SPD Beneficiaries in this Contract as stated in Exhibit A, Attachment 11, Case Management and Coordination of Care, Provision 1, Comprehensive Case Management Including Coordination of Care Services.
- I. In accordance with applicable State quality assurance and utilization review standards as stated in this Contract, Contractor shall develop an Individual Care Plan (ICP) for newly enrolled and reassessed Medi-Cal Only Members who are high-risk, and shall also review ICPs developed by the MSSP for Full Benefit Dual Eligible Members and Partial Dual Eligible Members to determine if any further coordination or delivery of services is appropriate, pursuant to APL 17-012.
- J. Contractor shall offer an Interdisciplinary Care Team (ICT) to all high-risk Medi-Cal Only Members when a need is demonstrated and in accordance with the Member's functional status, assessment, and the ICP. The ICT shall be offered in a manner as specified by DHCS in APL 17-012.
- K. Contractor shall provide coordination of care services or ensure that they are performed by the health plan or delegated Provider care coordinators, in conjunction with the appropriate Network Providers including, but is not limited to Providers for behavioral health, CBAS, MSSP, and LTC.
- L. Contractor shall coordinate referral with timely access to appropriate health care services and community resources through a system that is person and family centered, and allows Members to attain or maintain personal health goals per W&I Code Section 14132.275(f)(7). Contractor shall facilitate a Member's ability to access appropriate community resources and other agencies, including referrals as necessary and appropriate for behavioral services such as mental health and substance use disorders treatment services, and other needed medical or social services outside the managed care health plan's responsibilities in accordance with W&I Code Sections 14182.17(d)(4)(G) and (6)(B).

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- M. Contractor shall monitor skilled nursing utilization, and focus on providing services in the least restrictive setting and transitioning between facilities and the community.
- N. Contractor shall coordinate with Medicare Providers as needed in the provision of CBAS, MSSP, or LTC, to the extent that Contractor is able.
- O. DHCS shall authorize Contractor to receive Medicare claims data for any Full Benefit Dual Eligible Members and Partial Dual Eligible Members for the purpose of coordination of care and claims reimbursement.
 - 1) DHCS shall provide the Medicare claims data through its Benefits Coordination and Recovery Center (BCRC).
 - 2) Contractor shall be responsible for any coordination, testing, and implementation activities necessary to ensure that it is able to receive Medicare claims data from BCRC.
 - 3) DHCS shall provide ongoing support through BCRC to aid Contractor in preparing and continuing to receive Medicare claims data.
 - 4) Use of data is limited to the coordination and reimbursement of Med-Cal benefits and services provided to Members and not covered by Medicare in accordance with APL 13-001.
- P. For the purpose of Care Coordination with Members receiving IHSS from the county, Contractor shall make best efforts to work with the county and CDSS to share confidential Member data, and to receive Member and Provider data related to the IHSS program when applicable. Data shall be shared and received only as legally authorized by the Member and to promote understanding of the Member's needs.

9. Member Services

- A. In addition to Exhibit A, Attachment 13, Member Services, Provision 4, Written Member Information, Contractor shall include in its Provider Directory MSSP Provider sites and all contracted LTC Providers.
- B. In addition to Exhibit A, Attachment 13, Member Services, Provision 7, Primary Care Provider Assignment, Contractor shall use FFS utilization data or other data sources, including electronic data, to establish existing Provider relationships for Partial Dual Eligible Members in order to arrange linkage to a Provider of Medicare outpatient services, should the Member not receive a Primary Care Provider, either through selection or assignment.

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

10. Required Reports for Managed Long Term Services and Supports

Contractor shall submit to DHCS the following reports:

- A. Contractor shall provide to DHCS a quarterly report on MLTSS. Contractor shall submit these reports in templates provided by DHCS. Templates are subject to revisions; DHCS will communicate updates via email to Contractor.
- B. Contractor shall report to DHCS, on a monthly basis and in a format specified by DHCS, the number of continuity of care requests, and the outcomes of those requests, for Full Benefit Dual Eligible, Partial Dual Eligible, and Medi-Cal Only Members.
- C. In addition to the requirements in Exhibit A, Attachment 6, Provider Network, Provision 11. Provider Network Report, Contractor shall include LTC Providers added to or deleted from Contractor's Provider Network, within the quarterly Provider Network Report submission.
- D. In addition to the requirements set forth in Exhibit A, Attachment 13, Member Services, Provision 3. Call Center Reports, Contractor shall report to DHCS on calls related to Member satisfaction with LTC, CBAS, and MSSP within the quarterly Call Center Report submission. The quarterly Call Center Report shall also include calls related to MSSP Grievances and Appeals, and whether Contractor has referred any Grievances or Appeals to the MSSP site.
- E. In addition to the requirements set forth in Exhibit A, Attachment 14, Member Grievance and Appeal System, Provision 3. Grievance and Appeal Log and Quarterly Grievance and Appeal Report, Contractor shall also report to DHCS on a monthly basis the number and percentage of Grievances or Appeals that have been submitted in relation to a Member receiving LTC services. Contractor shall not be responsible for reporting Grievances, Appeals, or resolutions related to a Member receiving MSSP if they were reported to the MSSP site.
- F. Contractor shall report to DHCS the number of Partial Dual Eligible or Medi-Cal Only Members who were assigned to a Primary Care Provider on a monthly basis and in a format specified by DHCS.

11. Risk Corridor

- A. A risk corridor shall be established for a period of 24 months, effective April 1, 2014 and ending on March 31, 2016 for Full Benefit Dual Eligible Members, and applies to the provision of all Covered Services for Full Benefit Dual Eligible Members.

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MANAGED LONG-TERM SERVICES AND SUPPORTS

- B. A risk corridor shall also be established for a period of 24 months, effective July 1, 2014 and ending on June 30, 2016 for Partial Dual Eligible Members and Medi-Cal Only Members, and applies only to the provision of MLTSS Covered Services and IHSS for Partial Dual Eligible Members and Medi-Cal Only Members.
- C. Gains and losses are defined as the Capitated Revenues minus the sum of Adjusted Service Expenditures for applicable services, as described in Paragraphs A and B of this Provision, and Adjusted Non-Service Expenditures, with positive figures defined as gains and negative figures defined as losses. The risk sharing of the gains and losses shall be constructed by DHCS so that it is symmetrical with respect to risk and profit, and so that all of the following apply:
- 1) Contractor is fully responsible for any losses up to 1 percent of Capitated Revenues.
 - 2) Contractor shall fully retain any gains up to 1 percent of Capitated Revenues.
 - 3) Contractor and DHCS shall equally share responsibility for any losses in excess of 1 percent, but less than 2.5 percent, of Capitated Revenues.
 - 4) Contractor and DHCS shall equally share any gains greater than 1 percent, but less than 2.5 percent, of Capitated Revenues.
 - 5) DHCS shall be fully responsible for all losses in excess of 2.5 percent of Capitated Revenues.
 - 6) DHCS shall fully retain all gains in excess of 2.5 percent of Capitated Revenues.
- D. The risk-sharing arrangement described in this Provision may result in payment by DHCS to Contractor or by Contractor to DHCS. All payments to be made by DHCS to Contractor or by Contractor to DHCS will be calculated and determined by DHCS. All calculations determined by DHCS will be based on Contractor's capitation rate and enrollment data provided by DHCS for applicable Members as described in Paragraphs A and B of this Provision, and Contractor's Adjusted Services Expenditures and Adjusted Non-Service Expenditures for providing applicable services, as described in Paragraphs A and B of this Provision, to these Members.
- 1) All financial reporting will be subject to review and/or audit at DHCS' discretion. As applicable, all calculations will sum Capitated Revenues, Adjusted Services Expenditures and Adjusted Non-Service Expenditures for applicable services as described in

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Paragraphs A and B of this Provision, across all counties in which Contractor operates as a Medi-Cal Managed Care Health Plan.

- 2) DHCS will determine Contractor's Adjusted Service Expenditures and Adjusted Non-Service Expenditures for applicable services as described in Paragraphs A and B of this Provision, based on Contractor's Actual Services Expenditures and Actual Non-Service Expenditures for these applicable services, Encounter Data, cost data, and financial reporting data, or other data submitted by Contractor either as required in this Contract or by DHCS for the risk-sharing arrangement described in this Provision.
 - 3) DHCS and Contractor agree that, to the extent there are differences in Adjusted Services Expenditures and Adjusted Non-Service Expenditures for applicable services as described in Paragraphs A and B of this Provision, and Contractor's Actual Service Expenditures and Actual Non-Service Expenditures for these services across various sources, including the Encounter Data, cost data, financial reporting data, or other data submitted by Contractor, DHCS and Contractor will confer and make a good faith effort to reconcile those differences before the calculation of settlements.
 - 4) Review procedures may include a review and/or audit of Contractor's Encounter Data to be performed by DHCS, or either party's authorized agents, to verify that all paid claims for Members by Contractor are for providing services to the population identified in this Provision and/or that Provider reimbursement is not excessive. DHCS will have the final decision on the resolution of any differences in the expenditures.
 - 5) DHCS reserves the right to adjust expenditures for services that are reimbursed at more than 10 percent above the median reimbursement rate of all other Contractors within a region.
 - a) For the purposes of this Contract, the region is defined as The Southern Counties Region, which includes Los Angeles, Orange, Riverside, San Bernardino, and San Diego counties.
 - b) If two (2) or fewer counties are operational within a region, experience from other counties would be considered in the establishment of the median rate.
- E. Payments by Contractor to related party Providers shall not exceed the rate paid by Contractor for the same services to unrelated parties within the same county for the purpose of determining actual expenditures.

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MANAGED LONG-TERM SERVICES AND SUPPORTS

Related parties are defined by Generally Accepted Accounting Principles.

12. Capitation Rate Structure for Full Benefit Dual Eligible Members

A. Underlying Rate Structure

The capitation rate will be paid as a single, blended capitation rate that accounts for the relative risk of Contractor's Full Benefit Dual Eligible Members and is weighted accordingly. These Members shall be segmented into three (3) separate and distinct population segments based on eligibility for rate setting purposes. These population segments are as follows:

- 1) Members eligible for Cal MediConnect, the State's duals demonstration;
- 2) Members covered by Contractor and under Medicare managed care; and
- 3) Members ineligible for Cal MediConnect, such as SPD beneficiaries determined to be high-risk.

B. Full Benefit Dual Eligible Members shall also be grouped into four (4) Member mix categories representing differing levels of risk. Effective January 1, 218, these categories are defined as follows:

- 1) Institutionalized: Members in LTC aid codes and/or residing in an LTC facility for 90 days or more;
- 2) CBAS and MSSP: Members meet one (1) or more of the following criteria:
 - a) Members who receive CBAS; or
 - b) Members who are clients of MSSP sites
- 3) IHSS Only (no CBAS or MSSP): Members who receive IHSS, but do not receive CBAS and are not clients of a MSSP site; and
- 4) Community Well: Members living in the community with no covered HCBS, are not residents in LTC facilities, and do not utilize CBAS, MSSP, or IHSS services.

C. The capitation rate will utilize the following payment methodology:

- 1) DHCS shall initially pay an estimated rate based on the assumed mix across the three (3) population segments and four (4) Member

**Exhibit A, Attachment 21
MANAGED LONG-TERM SERVICES AND SUPPORTS**

mix categories. This assumed mix is impacted by a DHCS assumption related to the percentage of Members who will opt out of Cal MediConnect.

- 2) DHCS shall recalculate the blended rate based on the actual Full Benefit Dual Eligible Member distribution beginning no later than January 1, 2015 when actual Full Benefit Dual Eligible Member enrollment is known. The final rate based on the actual enrollment distribution will incorporate the same base rates by population segment and Member mix category as the original estimated rate. DHCS shall retain the ability to group Members into the three (3) population segments and four (4) Member mix categories.
 - 3) The final Member mix calculations will be completed after the recalculation time frames, either monthly, quarterly, or annually as referenced in each respective Phase identified in Paragraph D of this Provision.
 - 4) Once DHCS has recalculated the blended rate, there may be additional payments by DHCS to Contractor or a recoupment of Overpayment from Contractor to DHCS.
- D. The payment process will vary over three (3) distinct phases to address the stability of enrollment and to establish appropriate financial incentives for Contractor.
- 1) Phase I: The recalculation of the final rate will be applied monthly and retroactively to match Contractor's actual enrollment. This phase will continue through each county's phase-in enrollment period for a minimum of one (1) year and will end at the start of the following fiscal quarter. For example, if Contractor operates in a county with a 12-month phase-in that began enrollment in April 2014, this phase would last through the end of March 2015.
 - 2) Phase II: This phase will be for one (1) fiscal quarter. The recalculation of the final rate will be prospectively applied at the start of the quarter. Weighting of the three (3) population segments and four (4) Member mix categories will be based on the month preceding the quarter enrollment snapshot, which will be available after the quarter ends and will be retroactively applied to that period. For example, if Contractor operates in a county with a 12-month phase-in that begins enrollment in April 2014, this Phase II would be applicable for the fiscal quarter of April 2015 through June 2015. Enrollment data from March 2015 would be utilized although the rate update would not occur until several months after the quarter to ensure data availability.

Exhibit A, Attachment 21
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- 3) Phase III: Contractor's capitation rates are based on a targeted, relative mix of Members and will not be adjusted during the year. The first year of this phase will be the remaining period in the calendar year.
 - a) Specific to Phase III, a targeted, relative mix will be projected by DHCS and its actuaries. This mix is designed to be achievable by Contractor, based on assumptions about Contractor's ability to promote community services and prevent or delay institutional placement.
 - b) If the projected Member mix for Contractor for the year results in a greater than 2.5 percent impact to the Medi-Cal component of the capitation rate paid as compared to the capitation rate that would have been paid based on the actual Member mix, then Contractor and DHCS would share equally in any increases or decreases beyond the 2.5 percent. Contractor's actual gain or loss does not factor into this calculation.
- E. With the structure as described above, DHCS and its actuaries will establish actuarially sound capitation rates for this Contract for Full Benefit Dual Eligible Members eligible for MLTSS. These capitation rates will be consistent with 42 CFR 438.6(b)(1) and reviewed by the CMS. Capitation rates approved by CMS will serve as the baseline Medi-Cal costs.
- F. DHCS and its actuaries will provide to CMS the underlying data for the capitation rate calculations associated with this Contract.
- G. As allowed under the capitation rates for this Contract, DHCS and its actuaries will calculate a range of actuarially sound capitation rates, including lower bound and upper capitation rates.
- H. Limited risk corridors will be applied as described for Contractor and be reconciled after application of any risk adjustment methodologies and any other adjustments.

Exhibit B
BUDGET DETAIL AND PAYMENT PROVISIONS

Budget Detail and Payment Provisions

1. Budget Contingency Clause
2. Amounts Payable
3. Contractor Risk in Providing Services
4. Capitation Rates
5. Capitation Rates Constitute Payment in Full
6. Determination of Rates
7. Redetermination of Rates-Obligation Changes
8. Reinsurance
9. Catastrophic Coverage Limitation
10. Financial Performance Guarantee
11. Recovery of Capitation Payments
12. Payment of Aids Beneficiary Rate
13. Medical Loss Ratio (MLR)
14. Adult Expansion Medical Loss Ratio and Risk Corridor
15. Supplemental Payments
16. Special Contract Provisions Related to Payment
17. Medicare Coordination

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1. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Contract, and Contractor shall not be obligated to perform any provisions of this Contract. Further, should funding for any fiscal year be reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to:
- 1) Cancel this Contract with no liability occurring to the State and no further obligation by Contractor to perform, or
 - 2) Offer an Agreement amendment to Contractor to reflect the reduced amount.
- B. All payments and rate adjustments are subject to appropriations of Medi-Cal funds by the Legislature and may require Department of Finance approval. Further, all payments are subject to the availability of Federal congressional appropriation of funds.

2. Amounts Payable

Any requirement of performance by the State and Contractor for the period of the Contract will be dependent upon the availability of future appropriations by the Legislature for the purpose of the Medi-Cal program.

3. Contractor Risk In Providing Services

Contractor will assume the total risk of providing the Covered Services on the basis of the periodic Capitation Payment for each Member, except as otherwise allowed in this Contract. Any monies not expended by the Contractor after having fulfilled obligations under this Contract will be retained by the Contractor.

4. Capitation Rates

- A. DHCS shall remit to Contractor a Capitation Payment each month for each Medi-Cal Member that appears on the approved list of Members supplied to Contractor by DHCS. The capitation rate shall be the amount specified below. The payment period for health care services shall commence on the first day of operations, as determined by DHCS.

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Capitation Payments shall be made in accordance with the following schedule of Capitation Payment rates at the end of the month. For aid codes see DEFINITIONS, Eligible Beneficiary:

For the period 07/01/15 – 06/30/16	County
Groups	Rates
Adult & Family/Optional Targeted Low-Income Child (Under 19)	
Adult & Family/Optional Targeted Low-Income Child (19 & Older)	
Family & Dual Eligible	
Aged & Disabled Medi-Cal Only	
Disabled/Dual Eligible	
Aged/Dual Eligible	
Long Term Care/Full Dual Eligible	
Long Term Care/Non-Full Dual Eligible	
Breast and Cervical Cancer Treatment Program (BCCTP)	
AIDS/Dual Eligible	
AIDS/Medi-Cal Only	
Maternity	
Adult Expansion	
Maternity Expansion	

For the period 07/01/16 – 06/30/17	County
Groups	Rates
Adult & Family/Optional Targeted Low-Income Child (Under 19)	
Adult & Family/Optional Targeted Low-Income Child (19 & Older)	
Family & Dual Eligible	
Aged & Disabled Medi-Cal Only	
Disabled/Dual Eligible	
Aged/Dual Eligible	
Long Term Care/Full Dual Eligible	
Long Term Care/Non-Full Dual Eligible	
Breast and Cervical Cancer Treatment Program (BCCTP)	
AIDS/Dual Eligible	
AIDS/Medi-Cal Only	
Maternity	
Adult Expansion	
Maternity Expansion	

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For the period 07/01/17 – 06/30/18	County
Groups	Rates
Adult & Family/Optional Targeted Low-Income Child (Under 19)	
Adult & Family/Optional Targeted Low-Income Child (19 & Older)	
Family & Dual Eligible	
SPD	
SPD/Dual Eligible	
Long Term Care/Full Dual Eligible	
Long Term Care/Non-Full Dual Eligible	
Breast and Cervical Cancer Treatment Program (BCCTP)	
Maternity	
Adult Expansion	
Maternity Expansion	
Hepatitis C/340B	
Hepatitis C/Non-340B	
HCBS High	
HCBS Low	
BHT/Ages 0-6	
BHT/Ages 7-20	

- B. If DHCS creates a new aid code that is split or derived from an existing aid code covered under this Contract, and the aid code has a neutral revenue effect for the Contractor, then the split aid code will automatically be included in the same aid code rate group as the original aid code covered under this Contract. Contractor agrees to continue providing Covered Services to the Members at the monthly capitation rate specified for the original aid code. DHCS shall confirm all aid code splits, and the rates of payment for such new aid codes, in writing to Contractor as soon as practicable after such aid code splits occur.
- C. Pursuant to 42 CFR 438.6(b)(1), the actuarial basis for the computation of the Capitation Payment rates shall be set forth in DHCS' most recent version of the annually-published Rate Manual for the rate period that is identified above. Said Rate Manual is incorporated by reference in Exhibit E, Provision 1.
- D. For Dual payment rates that are not identified in the schedule of Capitation Payment rates above, DHCS shall pay a capitated rate as stated in an M Letter sent to Contractor by DHCS. The M Letter shall serve as notification from DHCS to Contractor of the capitated rates for Dual payment rates not stated in this Contract, and the time period for which these rates will be applied. The M Letter shall not be considered exempt from any requirement of this Contract. The rates supplied in the M Letter will be adjusted within 30 days from the date of release.

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- E. By January 1, 2015, and annually thereafter, DHCS shall provide an amendment to this Contract to add Dual payment rates that have been sent to Contractor through the M Letter.

5. Capitation Rates Constitute Payment In Full

Capitation rates for each rate period, as calculated by DHCS, are prospective rates and constitute payment in full, subject to any stop loss reinsurance provisions, on behalf of a Member for all Covered Services required by such Member and for all Administrative Costs incurred by the Contractor in providing or arranging for such services. DHCS is not responsible for making payments for recoupment of losses.

6. Determination Of Rates

- A. DHCS shall determine the capitation rates for the initial period October 1, 2004 or the Contract effective date of Operations, through September 30, 2005 subsequent to September 30, 2005 and through the duration of the Contract. DHCS shall make an annual redetermination of rates in accordance with Title 22 CCR Section 53869 for each rate year defined as the 12-month period from July 1 through June 30. DHCS reserves the right to establish rates on an actuarial basis for each rate year. All payments and rate adjustments are subject to appropriations of funds by the Legislature and the Department of Finance approval. Further, all payments are subject to the availability of Federal congressional appropriation of funds.
- B. Once DHCS establishes rates on an actuarially sound basis, it shall determine whether the rates shall be increased, decreased, or remain the same. If it is determined by DHCS that Contractor's capitation rates shall be increased or decreased, the increase or decrease shall be effectuated through an amendment/change order to this Contract in accordance with the provisions of Exhibit E, Attachment 2, Provision 4, Change Requirements, subject to the following provisions:
- 1) The amendment/change order shall be effective as of July 1 of each year covered by this Contract.
 - 2) In the event there is any delay in a determination to increase or decrease capitation rates, so that an amendment/change order may not be processed in time to permit payment of new rates commencing July 1, the payment to Contractor shall continue at the rates stated in an R Letter sent to the Contractor by DHCS. The R Letter shall serve as notification from DHCS to Contractor of the capitated rates, and the time period for which these rates will be

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applied. The R Letter shall not be considered exempt from any requirement of this Contract. Those continued payments shall constitute interim payment only. Upon CMS final approval of the amendment/change order and rate certification, providing for the rate change, DHCS shall make retroactive adjustments for those months for which interim payment was made.

- 3) By accepting payment of new annual rates prior to full approval by all control agencies of the amendment/change order to this Contract implementing such new rates, Contractor stipulates to a confession of judgment for any amounts received in excess of the final approved rate. If the final approved rate differs from the rates established by DHCS or agreed upon by Contractor and DHCS:
 - a) Any underpayment by the State shall be paid to Contractor within 30 calendar days after final approval of the new rates.
 - b) Any Overpayment to Contractor shall be recaptured by the State's withholding the amount due from Contractor's next capitation check. If the amount to be withheld from that capitation check exceeds 25 percent of the Capitation Payment for that month, amounts up to 25 percent shall be withheld from successive Capitation Payments until the Overpayment is fully recovered by the State.
- 4) If mutual agreement between DHCS and Contractor cannot be attained on capitation rates for rate years subsequent to September 30, 2005 resulting from a rate change pursuant to this Provision 6 or Provision 7 below, Contractor shall retain the right to terminate the Contract, but no earlier than September 30, 2006. Notification of intent to terminate a Contract shall be in writing and provided to DHCS at least nine months prior to the effective date of termination, subject to any earlier termination date negotiated in accordance with Exhibit E, Attachment 2, Provision 14, regarding Termination – Contractor. DHCS shall pay the capitation rates last offered for that rate period until the Contract is terminated.
- 5) DHCS shall make every effort to notify and consult with Contractor regarding proposed redetermination of rates pursuant to this section or Provision 7, below at the earliest possible time prior to implementation of the new rate.

7. Redetermination Of Rates - Obligation Changes

The capitation rates may be adjusted during the rate year to provide for a change in obligations that results in an increase or decrease of more than one percent of

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cost (as defined in Title 22 CCR Section 53869) to the Contractor. Any adjustments shall be effectuated through a change order to the Contract subject to the following provisions:

- A. The change order shall be effective as of the first day of the month in which the change in obligations is effective, as determined by DHCS.
- B. In the event DHCS is unable to process the change order in time to permit payment of the adjusted rates as of the month in which the change in obligations is effective, payment to Contractor shall continue at the rates then in effect. Continued payment shall constitute interim payment only. Upon final approval of the change order providing for the change in obligations, DHCS shall make adjustments for those months for which interim payment was made.
- C. DHCS and Contractor may negotiate an earlier termination date, pursuant to Exhibit E, Attachment 2, Provision 14, regarding Termination – Contractor, if a change in contractual obligations is created by a State or Federal change in the Medi-Cal program, or a lawsuit, that substantially alters the financial assumptions and conditions under which Contractor entered into this Contract, such that Contractor can demonstrate to the satisfaction of DHCS that it cannot remain financially solvent until the termination date that would otherwise be established under this provision.

8. Reinsurance

Contractor may obtain reinsurance (stop loss coverage) to ensure maintenance of adequate capital by Contractor for the cost of providing Covered Services under this Contract. Pursuant to Title 22 CCR Section 53252 (a)(2)(A)&(B), reinsurance shall not limit Contractor's liability below \$5,000 per Member for any 12-month period as specified by DHCS, and Contractor may obtain reinsurance for the total cost of services provided to Members by non-contractor emergency service Providers and for 90 percent of all costs exceeding 115 percent of its income during any Contractor fiscal year.

9. Catastrophic Coverage Limitation

DHCS may limit the Contractor's liability to provide or arrange and pay for care for illness of, or injury to Members, which results from or is greatly aggravated by a catastrophic occurrence or disaster. Contractor will return a prorated amount of the Capitation Payment following the DHCS Director's invocation of the catastrophic coverage limitation. The amount returned will be determined by dividing the total Capitation Payment by the number of days in the month. The amount will be returned to DHCS for each day in the month after the Director has invoked the catastrophic coverage limitation clause.

10. Financial Performance Guarantee

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Contractor shall provide satisfactory evidence of, and maintain Financial Performance Guarantee in, an amount equal to at least one Capitation Payment, in a manner specified by DHCS. At the Contractor's request, and with DHCS approval, Contractor may establish a phase-in schedule to accumulate the required Financial Performance Guarantee. Contractor may elect to satisfy the Financial Performance Guarantee requirement by receiving payment on a post payment basis. The Financial Performance Guarantee shall remain in effect for a period not exceeding 90 calendar days following termination or expiration of this Contract unless DHCS has a financial claim against Contractor. Further rights and obligations of the Contractor and DHCS, in regards to the Financial Performance Guarantee, shall be as specified in Title 22 CCR Section 53865.

11. Recovery Of Capitation Payments

DHCS shall have the right to recover from Contractor amounts paid to Contractor in the following circumstances as specified:

- A. If DHCS determines that a Member has either been improperly enrolled due to ineligibility of the Member to enroll in Contractor's plan, residence outside of Contractor's Service Area, or pursuant to Title 22, Section 53891(a)(2), or should have been disenrolled with an effective date in a prior month, DHCS may recover the Capitation Payments made to Contractor for the Member for the months in question. To the extent permitted by law, Contractor may seek to recover any payments made to Providers for Covered Services rendered for the month(s) in question. Contractor shall inform Providers that claims for services provided to Members during the month(s) in question may be paid by the DHCS fiscal intermediary, if the Member is determined eligible for the Medi-Cal program.

Upon request by Contractor, DHCS may allow Contractor to retain the Capitation Payments made for Members that are eligible to enroll in Contractor's plan, but should have been retroactively disenrolled pursuant to Exhibit A, Attachment 11, Provision 18. Excluded Services Requiring Member Disenrollment, or under other circumstances as approved by DHCS. If Contractor retains the Capitation Payments, Contractor shall provide or arrange and pay for all Medically Necessary Covered Services for the Member, until the Member is disenrolled on a nonretroactive basis pursuant to Exhibit A, Attachment 16, Provision 3, Disenrollment.

- B. As a result of Contractor's failure to perform contractual responsibilities to comply with mandatory Federal Medicaid requirements, the Federal Department of Health and Human Services (DHHS) may disallow Federal Financial Participation (FFP) for payments made by DHCS to Contractor. DHCS may recover the amounts disallowed by DHHS by an offset to the Capitation Payments made to Contractor. If recovery of the full amount at

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one time imposes a financial hardship on Contractor, DHCS at its discretion may grant a Contractor's request to repay the recoverable amounts in monthly installments over a period of consecutive months not to exceed six (6) months.

- C. If DHCS determines that any other erroneous or improper payment not mentioned above has been made to Contractor, DHCS may recover the amounts determined by an offset to the Capitation Payment made to Contractor. If recovery of the full amount at one time imposes a financial hardship on Contractor, DHCS, at its discretion, may grant a Contractor's request to repay the recoverable amounts in monthly installments over a period of consecutive months not to exceed six (6) months. At least 30 calendar days prior to seeking any such recovery, DHCS shall notify Contractor to explain the improper or erroneous nature of the payment and to describe the recovery process.

12. Payment Of AIDS Beneficiary Rate

- A. Compensation at the AIDS Beneficiary Rate (ABR)

Subject to Contractor's compliance with the requirements contained in Subparagraph 1) below, Contractor shall be eligible to receive compensation at the ABR for AIDS Beneficiaries. Compensation to Contractor at the ABR for each AIDS Beneficiary shall consist of payment at the ABR less the capitation rate initially paid for the AIDS Beneficiary.

- 1) Compensation at the ABR shall be subject to the conditions listed below. Contractor's failure to comply with any of the conditions listed below for any request for compensation at the ABR on behalf of an individual AIDS Beneficiary for a specific month of enrollment shall result in DHCS' denial of Contractor's claim for compensation at the ABR for that individual AIDS Beneficiary for that specific month of enrollment. Contractor may submit a corrected claim, within the timeframes specified in Paragraph d. below, that complies with all the conditions listed below and DHCS shall reimburse Contractor at the ABR.
- a) The ABR shall be in lieu of any other compensation for an AIDS Beneficiary in any month.
 - b) For AIDS Beneficiaries, Contractor shall be eligible to receive compensation at the ABR commencing in the month in which a diagnosis of AIDS is made and recorded, dated and signed by the treating physician in the AIDS Beneficiary's Medical Record.
 - c) Contractor shall submit an invoice to DHCS by the 25th day

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of each month for claims for compensation at the ABR for AIDS Beneficiaries. The invoice shall include the following:

- i. A list of all AIDS Beneficiaries identified by Medi-Cal numbers only for whom the Contractor is claiming compensation at the ABR. Member names shall not be used.
 - ii. The month(s) and year(s) for which compensation at the ABR is being claimed for each AIDS Beneficiary listed, sorted by month and year of service.
 - iii. The capitation rate initially paid for the AIDS Beneficiary for each month being claimed by the Contractor, the ABR being claimed, and the difference between the ABR and the capitation rate initially paid for the AIDS Beneficiary.
 - iv. The total amount being claimed on the invoice.
- d) Invoices, containing originally submitted claims or corrected claims, for compensation at the ABR for any month of eligibility during the rate year beginning April 1, 2005, and ending September 30, 2005, or any rate year thereafter beginning October 1 and ending September 30, must be submitted by Contractor to DHCS no later than six (6) months following the end of the subject rate year.
- e) Invoices shall include the Agreement Number and shall be submitted to:

California Department of Health Care Services
Managed Care Operations Division
Attn: Fiscal Analysis Unit
Mailing Address: See Exhibit A, Scope of Work, Provision 4

In addition, invoices shall:

- i. Be prepared on company letterhead.
 - ii. Bear the Contractor's name as shown on the agreement.
 - iii. Be signed by an authorized official, employee or agent.
- 2) Contractor shall confirm Medi-Cal eligibility of AIDS Beneficiaries

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prior to submission of the monthly invoice to DHCS. DHCS may verify the Medi-Cal eligibility of each Member for whom the ABR is claimed and adjust the invoiced amounts to reflect any capitation payments that have been previously made to Contractor for each Member prior to submission of the invoice required under Paragraph 1) c), above.

- 3) If DHCS determines that a Member for whom compensation has been paid at the ABR did not meet the definition of an AIDS Beneficiary, in a month for which the ABR was paid, DHCS shall recover any amount improperly paid, by an offset to Contractor's capitation payment, in accordance with Provision 11. Recovery of Capitation Payments, Paragraph C in this exhibit, DHCS shall give Contractor 30 calendar days prior written notice of any such offset.

B. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Chapter 4.5 (commencing with Section 927), Part 3, Division 3.6, of Title 2 of the Government Code.

C. Timely Submission of Final Invoice

- 1) A final undisputed ABR invoice shall be submitted for payment no more than 90 calendar days following the expiration or termination date of this Agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said ABR invoice should be clearly marked "Final Invoice - ABR", thus indicating that all payment obligations of the State under this Agreement have ceased and that no further payments are due or outstanding.
- 2) The State may, at its discretion, choose not to honor any delinquent final ABR invoice if the Contractor fails to obtain prior written State approval of an alternate final ABR invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.
- 3) The Contractor is hereby advised of its obligation to submit, with the final ABR invoice, a "Contractor's Release (Exhibit F)" acknowledging submission of the final ABR invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this agreement.

13. Medical Loss Ratio (MLR)

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The Medical Loss Ratio (MLR) as described in this Provision shall be done in accordance with 42 CFR 438.8, and shall be considered separate and distinct from the Adult Expansion Medical Loss Ratio (AE-MLR) and risk corridor as required in Exhibit B, Provision 14 of this Contract.

- A. Beginning July 1, 2017, Contractor shall calculate and report a MLR as stated in 42 CFR 438.8 and 438.604(a)(3), in a form and manner specified by DHCS.
- B. The MLR experienced by Contractor in a MLR Reporting Year is the ratio of the numerator, as stated in Paragraph C of this Provision, to the denominator, as stated in Paragraph D of this Provision. A MLR may be increased by a Credibility Adjustment, in accordance with Paragraph F of this Provision.
- C. The numerator of Contractor's MLR for a MLR Reporting Year is the sum of Contractor's incurred claims, expenditures for activities that improve health care quality, and fraud prevention activities.
 - 1) Contractor's Incurred Claims
 - a) Incurred claims must include the following:
 - i. Direct claims that Contractor paid to Providers, including under capitated contracts with Network Providers, for Covered Services or supplies under this Contract and meeting the requirements of 42 CFR 438.3(e).
 - ii. Unpaid claims liabilities for the MLR Reporting Year, including claims reported that are in the process of being adjusted or claims incurred but not reported.
 - iii. Withholds from payments made to Network Providers.
 - iv. Claims that are recoverable for anticipated coordination of benefits.
 - v. Claims payments recoveries received due to subrogation.
 - vi. Incurred but not reported claims based on past experience, and modified to reflect current conditions, such as changes in exposure or claim frequency or severity.
 - vii. Changes in other claims-related reserves.

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- viii. Reserves for contingent benefits and the medical claim portion of lawsuits.
- b) Amounts that must be deducted from incurred claims include the following:
 - i. Overpayment recoveries received from Network Providers.
 - ii. Prescription drug rebates received and accrued.
- c) Expenditures that must be included in incurred claims include the following:
 - i. The amount of incentive and bonus payments made, or expected to be made, to Network Providers.
 - ii. The amount of claims payments recovered through fraud reduction efforts, not to exceed the amount of fraud reduction expenses. The amount of fraud reduction expenses must not include activities specified in Section C, Paragraph 3 of this Provision.
- d) Amounts that must either be included in or deducted from incurred claims include, respectively, net payments or receipts related to solvency funds mandated by DHCS.
- e) The following amounts must be excluded from incurred claims.
 - i. Non-Claims Costs, which include (1) the amounts paid to third-party vendors for secondary network savings; (2) amounts paid to third-party vendors for network development, administrative fees, claims processing, and UM; and (3) amounts paid for professional or administrative services, including amounts paid to a Provider, that do not represent compensation or reimbursement for California Medicaid State Plan services or services defined in 42 CFR 438.3(e) and provided to Members. Also included are fines and penalties assessed by regulatory authorities.
 - ii. Amounts paid to Network Providers under 42 CFR 438.6(d).

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- f) Incurred claims paid by an entity that is later assumed by another entity must be reported by the assuming entity for the entire MLR Reporting Year and no incurred claims for that MLR Reporting Year may be reported by the ceding entity.
 - 2) Activities that improve health care quality must be in one of the following categories:
 - a) Contractor activity that meets the requirements of 45 CFR 158.150(b) and is not excluded under 45 CFR 158.150(c).
 - b) Contractor activity related to any External Quality Review-related activity as described in 42 CFR 438.358(b) and (c).
 - c) Any Contractor expenditure that is related to health information technology and meaningful use, meets the requirements placed on issuers found in 45 CFR 158.151, and is not considered incurred claims, as defined in this Provision.
 - 3) Contractor expenditures on activities related to fraud prevention as described in 45 CFR part 158, and not including expenses for fraud reduction efforts as stated in Section C, Paragraph 1.c) ii) of this Provision.
- D. The denominator of Contractor's MLR for a MLR Reporting Year must equal the adjusted premium revenue. The adjusted premium revenue is Contractor's premium revenue minus Contractor's federal, state, and local taxes and licensing and regulatory fees, and is aggregated in accordance with this Provision.
- 1) Premium revenue includes the following for the MLR Reporting Year:
 - a) Capitation Payments, developed in accordance with 42 CFR 438.4, and excluding payments made per 42 CFR 438.6(d).
 - b) One-time payments for Member life events as specified in this Contract.
 - c) Other payments to Contractor approved under 42 CFR 438.6(b)(3).
 - d) All changes to unearned premium reserves.
 - e) Net payments or receipts related to risk sharing mechanisms

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developed in accordance with 42 CFR 438.5 or 438.6.

- 2) Taxes, licensing, and regulatory fees for the MLR Reporting Year shall include:
 - a) Statutory assessments to defray the operating expenses of any state or federal department.
 - b) Examination fees in lieu of premium taxes as specified by State law.
 - c) Federal taxes and assessments allocated to Contractor, excluding federal income taxes on investment income, capital gains, and federal employment taxes.
 - d) State and local taxes and assessments including:
 - i. Any industry-wide or subset assessments, other than surcharges on specific claims, paid to the State or a locality directly.
 - ii. Guaranty fund assessments.
 - iii. Assessments of state or local industrial boards or other boards for operating expenses, or for benefits to sick employed persons in connection with disability benefit laws or similar taxes levied by the State.
 - iv. State or local income, excise, and business taxes, other than premium taxes and State employment and similar taxes and assessments.
 - v. State or local premium taxes, plus state or local taxes based on reserves, if in lieu of premium taxes.
 - e) Payments made by Contractor that are otherwise exempt from federal income taxes, for community benefit expenditures as defined in 45 CFR 158.162(c), limited to the highest of either:
 - i. Three percent (3%) of earned premium; or
 - ii. The highest premium tax rate in the State, multiplied by Contractor's earned premium in the State.
- 3) If Contractor is later assumed by another entity that becomes the new Contractor under this Contract, the new Contractor must report

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the total amount of the denominator for the entire MLR Reporting Year, and no amount under this Paragraph for that year may be reported by the ceding Contractor.

- E. In the allocation of expense, Contractor shall include each expense under only one type of expense, unless a portion of the expense fits under the definition of, or criteria for, one type of expense and the remainder fits into a different type of expense, in which case the expense must be pro-rated between types of expenses. Expenditures that benefit multiple contracts or populations, or contracts other than those being reported, must be reported on a pro rata basis. Contractor shall use the following methods to allocate expenses.
- 1) Allocation to each category must be based on a generally accepted accounting method that is expected to yield the most accurate results.
 - 2) Shared expenses, including expenses under the terms of a management contract, must be apportioned pro rata to the contract incurring the expense.
 - 3) Expenses that relate solely to the operation of a reporting entity, such as personnel costs associated with the adjusting and paying of claims, must be borne solely by the reporting entity and are not to be apportioned to the other entities.
- F. Contractor may add a Credibility Adjustment to a calculated MLR if the MLR Reporting Year experience is Partially Credible.
- 1) Contractor may not add a Credibility Adjustment to a calculated MLR if the MLR Reporting Year experience is Fully Credible.
 - 2) If a Contractor's experience is Non-Credible, it is presumed to meet or exceed the MLR calculation standards in this Provision.
 - 3) Contractor shall fulfill these requirements by using the base credibility factors that CMS publishes annually in accordance with 438.8(h)(4).
- G. Contractor shall aggregate data by Eligible Beneficiary groups identified in this Contract, or as otherwise directed by DHCS. This may require separate reporting and MLR calculations for specific populations.
- H. MLR Reporting requirements.
- 1) Contractor shall submit a report to DHCS that includes at least the following information for each MLR Reporting Year:

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- a) Total incurred claims.
 - b) Expenditures on quality improvement activities.
 - c) Expenditures related to activities compliant with 42 CFR 438.608(a)(1)-(5), (7), (8) and (b).
 - d) Non-Claims Costs.
 - e) Premium revenue.
 - f) Taxes, licensing, and regulatory fees.
 - g) Methodology(ies) for allocation of expenditures.
 - h) Any Credibility Adjustment applied.
 - i) The calculated MLR.
 - j) Any remittance owed to DHCS, if applicable.
 - k) A comparison of the information reported with the audited financial report required under 42 CFR 438.3(m).
 - l) A description of the method used to aggregate data.
 - m) The number of Member months.
- 2) Contractor must submit this report in a timeframe and manner determined by DHCS, but no longer than 12 months after the end of the MLR Reporting Year.
 - 3) Contractor shall require any third party vendor providing claims adjudication activities to provide all underlying data associated with MLR reporting to Contractor within 180 days from the end of the MLR Reporting Year, or within 30 days of being requested by Contractor, whichever comes sooner, regardless of current subcontracting limitations, to calculate and validate the accuracy of MLR reporting.
 - 4) Contractor shall attest to the accuracy of the MLR calculation in accordance with requirements of this Provision when submitting the MLR report.
- I. Contractor may be excluded from the requirements in this Provision in the first MLR Reporting Year of its operation. Contractor must then comply

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with these requirements beginning with the next MLR Reporting Year in which it contracts with DHCS, even if the first MLR Reporting Year was not a full 12 months.

- J. In any instance where there is a retroactive change to the Capitation Payments for a MLR Reporting Year and the MLR report has already been submitted to DHCS, Contractor shall re-calculate the MLR for all MLR Reporting Years affected by the change and submit a new report meeting the reporting requirements in this Provision.

14. Adult Expansion Risk Corridor

- A. Establishment of an Adult Expansion Risk Corridor (AE Risk Corridor), based on an Adult Expansion Medical Loss Ratio (AE-MLR)

For Adult Expansion Members, DHCS shall make additional assumptions to the benefit of both the State and Contractor for this AE Risk Corridor provision using an AE-MLR. DHCS shall perform AE-MLR calculations for the incurred periods stated below. Incurred dates align with the Net Capitation Payments and service dates of the Allowed Medical Expenses.

- 1) DHCS shall perform AE-MLR calculations for the incurred periods of January 1, 2014 to June 30, 2015, the first period, July 1, 2015 to June 30, 2016, the second period, and July 1, 2016 to June 30, 2017, the third period, and July 1, 2017 to June 30, 2018, the fourth period.
- 2) For the first and second periods, DHCS or its designee will initiate the AE-MLR calculation no sooner than 12 months after the end of each incurred period. For the third period, DHCS or its designee will initiate the AE-MLR calculation no sooner than January 1, 2019. For the fourth period, DHCS or its designee will initiate the AE-MLR calculation on April 1, 2020.
- 3) DHCS will give consideration to paid claims data at least through June 30, 2016, for services incurred during the first period, at least through June 30, 2017, for the second period, and at least through December 31, 2018, for the third period, and at least through March 31, 2020, for the fourth period.
- 4) Contractor shall provide and certify the AE Risk Corridor data and shall be subject to review or audit by DHCS or its designee
 - a) For the fourth period, attestations will not be considered acceptable forms of documentation except when determined appropriate by DHCS in the following limited instances:

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- i. Attestations specific to the methodology used to calculate Excluded Federal Taxes and Assessments and Excluded State Taxes and Assessments; and
 - ii. Attestations specific to the classification of related and non-related party expenses.
 - b) All other attestations will be disallowed for this period. This documentation expectation does not impact the requirement for Contractor's Chief Executive Officer or Chief Financial Officer to certify that data, documentation, and information submitted for the AE Risk Corridor data is accurate, complete, and truthful for the MLR period.
- 5) The AE Risk Corridor provision applies to this Contract only and will end with capitation and incurred dates as of June 30, 2018.

B. AE-MLR

This Contract shall provide an AE Risk Corridor pertaining to AE-MLR for Adult Expansion Members.

- 1) Contractor shall be required to expend at least 85 percent of Net Capitation Payments received on Allowed Medical Expenses for Adult Expansion Members, for each rating region. If Contractor does not meet the minimum 85 percent AE-MLR threshold for a given rating region, then Contractor shall return to the State the difference between 85 percent of total Net Capitation Payments and actual Allowed Medical Expenses incurred for each rating region as directed by DHCS.
- 2) After completion of the AE-MLR calculation, if it is determined that Contractor's AE-MLR is less than 85 percent for a given rating region, then DHCS will notify Contractor of the Capitation Payments to be returned to the State.
- 3) Contractor shall remit to the State the full amount due within 90 calendar days of the date DHCS provides notice to Contractor of that amount.
- 4) Contractor protection is included for Allowed Medical Expenses above 95 percent of the total Net Capitation Payments received by Contractor for Adult Expansion Members, for each rating region.
 - a) If Contractor's AE-MLR exceeds 95 percent of total Net Capitation Payments under this Contract for a given rating region, then DHCS shall make additional payment to

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Contractor.

- b) This additional payment from DHCS to Contractor will be the difference between the Contractor's Allowed Medical Expenses and 95 percent of Net Capitation Payments received for that rating region.
 - c) DHCS shall remit this payment to Contractor within 90 days of completion of this calculation or within 90 days of approval to claim the additional federal funds, whichever is later.
- 5) If the AE-MLR is between 85 percent and 95 percent, then there will not be an AE Risk Corridor adjustment from Contractor to DHCS or from DHCS to Contractor.

C. Final Rates of Payment

For Adult Expansion Members, the actual payment rate for providing Covered Services under this Contract may differ from the rates initially included in this Contract, or the negotiated rate.

- 1) Actual payments may be adjusted if an adjustment is required subject to the provisions of this AE Risk Corridor methodology. Both Contractor and DHCS agree to accept the final payment levels that result from the AE Risk Corridor methodology calculation.
- 2) As a payment corridor, it is explicitly provided that this payment provision may result in payment by Contractor to DHCS or by DHCS to Contractor.
- 3) In the event of a change in capitation rate for Adult Expansion Members, for each period provided in this Provision, an AE Risk Corridor calculation in accordance with the requirements of this Provision shall be re-determined.
- 4) Subsequent to this re-determination, adjustments to payments in accordance with this Provision may result in changes in payment by Contractor to DHCS or by DHCS to Contractor.

D. AE Risk Corridor Disputes

Contractor shall have the opportunity to appeal a determination, through an appeal process defined by DHCS, that the 85 percent AE-MLR threshold has not been met and provide evidence that the required minimum has been met.

15. Supplemental Payments

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- A. Contractor shall be entitled to supplemental payments stated within this Provision, based on the payment schedules identified within Exhibit B. Contractor must maintain on file evidence of payment for qualified services entitling them to the supplemental payment. Failure to have supporting records may, upon audit, result in recoupment by DHCS of the supplemental payment.
- 1) On a monthly basis, by the twentieth (20th) calendar day following the end of each month and in a format specified by DHCS, Contractor shall submit a report for Medi-Cal Managed Care Supplemental Payments. This report shall identify the Members receiving services qualifying for supplemental payment and for whom the payment amount is being claimed.
 - 2) When Contractor receives and submits data to DHCS:
 - a) Within 14 months of the month of service, Contractor will receive the full supplemental payment.
 - b) After the fourteenth month following the month of service, Contractor will not receive a supplemental payment.
- B. Supplemental Maternity Payment
- 1) Contractor shall be entitled to receive a Supplemental Maternity Payment for Members enrolled with Contractor on the date of the delivery of a child, including retroactive enrollments.
 - 2) The Supplemental Maternity Payment reimburses Contractor for the cost of delivery, and is in addition to the monthly Capitation Rate paid by DHCS to Contractor for the Member.
- C. Hepatitis C Prescriptions
- 1) Contractor shall be paid a monthly supplemental payment based on a weekly rate for each Member who receives prescriptions for Hepatitis C (Hep C) drugs. Payments are based on the Member's utilization as reported by Contractor. The payment period for health care services shall commence on July 1, 2014.
 - 2) Contractor shall receive a supplemental payment for each Member who receives prescriptions for Hep C drugs in addition to the monthly Capitation Payment.
- D. Supplemental Rate Payments for Partial Dual Eligible and Medi-Cal Only Members

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- 1) Contractor shall receive a monthly supplemental payment for each Partial Dual Eligible Member and Medi-Cal Only Member who is identified as being in one of the Member mix categories as described in this Provision.
- 2) Contractor shall receive a supplemental payment for each Partial Dual Eligible Member and Medi-Cal Only Member who meets the following criteria:
 - a) Institutional: Members who reside in a nursing facility for 90 days or more and are identified by Contractor in a file per Section C of this Provision. Exceptions will include Members with a LTC aid code as identified in Exhibit E, DEFINITIONS, Eligible Beneficiary.
 - b) HCBS High: Members who are at a high risk for institutionalization based on an IHSS classification of "Severely Impaired", or are in the MSSP 1915(c) Waiver, or are receiving CBAS as defined by Contractor.
 - c) HCBS Low: Members who have an IHSS classification of "Not Severely Impaired".
- 3) Supplemental payments for Partial Dual Eligible and Medi-Cal Only Members shall be made in accordance with the existing schedule of Capitation Payment rates at the end of the month. Payments for Members identified as Institutional cannot exceed the rate as stated in this Provision and will be adjusted if DHCS has sent a separate rate payment for the Member for the same month of service. Payments for Members identified as HCBS High or HCBS Low will be made in addition to any other monthly rate payments sent for the Member for the same month of service.

E. Supplemental Payment for BHT Services

Contractor shall be paid a monthly supplemental payment for each Member who receives BHT services. Payments shall be based on the Member's utilization as reported by Contractor in accordance with the requirements in Exhibit B. The payment period for health care services shall commence on September 15, 2014.

16. Additional Payments

- A. Contractor shall be entitled to additional payments stated within this Provision, based on the payment schedules identified within Exhibit B. Contractor must maintain on file evidence of payment for qualified

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services entitling them to the payment. Failure to have supporting records may, upon audit, result in recoupment by DHCS of any additional payments.

- 1) On a monthly basis, by the twentieth (20th) calendar day following the end of each month and in a format specified by DHCS, Contractor shall submit a report for additional payments. This report shall identify the Members receiving services qualifying for this payment and for whom the payment amount is being claimed.
- 2) When Contractor receives and submits data to DHCS:
 - a) Within 14 months of the month of service, Contractor will receive the full payment.
 - b) After the fourteenth month following the month of service, Contractor will not receive a payment.

B. American Indian Health Service Program Payment

- 1) Commencing on January 1, 2018, Contractor shall be entitled to receive an American Indian Health Service Program payment for Members qualified to receive services in accordance with Exhibit A, Attachment 8, Provision 7, Paragraph C of this Contract and who utilize such services on or after January 1, 2018.
- 2) The payment shall reimburse Contractor for the amount paid to American Indian Health Service Programs as required in Exhibit A, Attachment 8, Provision 7, Paragraph C of this Contract. Payments shall be based on Member utilization of qualifying services at American Indian Health Service Programs as reported by Contractor.

17. Special Contract Provisions Related to Payment

Contractor shall comply with 42 CFR 438.6 in a form and manner specified by DHCS.

18. Medicare Coordination

Pursuant to 42 CFR 438.3(t), Contractor shall enter into a Coordination of Benefits Agreement with the Medicare program through CMS, and agree to participate in Medicare's automated claims crossover process for Full Benefit Dual Eligible Members.

Exhibit E
ADDITIONAL PROVISIONS

1. Additional Incorporated Provisions

The following Attachments 1 through 24 are incorporated herein and made a part hereof by this reference:

Attachment 1 - Organization and Administration of the Plan
Attachment 2 - Financial Information
Attachment 3 - Management Information System
Attachment 4 - Quality Improvement System
Attachment 5 - Utilization Management
Attachment 6 - Provider Network
Attachment 7 - Provider Relations
Attachment 8 - Provider Compensation Arrangements
Attachment 9 - Access and Availability
Attachment 10 - Scope of Services
Attachment 11 - Case Management and Coordination of Care
Attachment 12 - Local Health Department Coordination
Attachment 13 - Member Services
Attachment 14 - Member Grievance System
Attachment 15 - Marketing
Attachment 16 - Enrollments and Disenrollments
Attachment 17 - Reporting Requirements
Attachment 18 - Implementation Plan and Deliverables
Attachment 19 - Community Based Adult Services (CBAS)
Attachment 20 – Mental Health and Substance Use Disorder Benefits
Attachment 21 – Managed Long Term Services and Supports

2. Priority of Provisions

In the event of a conflict between the provisions of Exhibit E and any other exhibit of this Contract, excluding Exhibit C, the provisions of Exhibit E shall prevail.

**Exhibit E, Attachment 1
DEFINITIONS**

As used in this Contract, unless otherwise expressly provided or the context otherwise requires, the following definitions of terms will govern the construction of this Contract:

Actual Non-Service Expenditures means Contractor's actual amounts incurred for non-service expenditures, including both administrative and care management costs, for Full Benefit Dual Eligible Members, or for Partial Dual Eligible Members and Medi-Cal Only Members, as applicable, and excludes costs incurred by Contractor prior to the start of this Risk Corridor. Any reinsurance costs reflected will be net reinsurance costs.

Actual Service Expenditures means Contractor's actual amount paid for providing services to Full Benefit Dual Eligible Members, or for Partial Dual Eligible Members and Medi-Cal Only Members, as applicable, priced at Contractor fee level, and shall comprise of all Provider payments for services to this population, including risk-sharing arrangements or sub-Capitation Payments.

Adjusted Non-Service Expenditures means Contractor's Actual Non-Service Expenditures, adjusted to reflect the exclusion of costs greater than 125 percent of the non-medical cost per Member per month across all participating Contractors and including any consideration given to Contractor for any significant, non-typical membership mixes that may cause this exclusion to come into effect as well as the exclusion of reinsurance costs which is the net of reinsurance premiums; and adjustments resulting from DHCS' review of Contractor's non-service expenditures to address any inappropriate or excessive non-service expenditures, including executive compensation and stop loss expenditures.

Adjusted Service Expenditures means Contractor's Actual Service Expenditures adjusted to reflect the following reductions from any recoveries of other payers outside of claims adjudication, including those pursuant to coordination of benefits, third party liability, rebates, supplemental payments, adjustments in claims paid, adjustments from Providers including adjustments to claims paid, and Member contributions to care; and adjustments resulting from DHCS' review of Contractor reimbursement methodologies and levels to address any excessive pricing.

Administrative Costs means only those costs that arise out of the operation of the plan excluding direct and overhead costs incurred in the furnishing of health care services, which would ordinarily be incurred in the provision of these services whether or not through a plan.

Adult Day Health Care (ADHC) means an organized day program of therapeutic, social and health activities and services provided to persons 55 years or older or other adults with functional impairments, either physical or mental, for the purpose of restoring or maintaining optimal capacity for self-care as set forth in Title 22, Section 78007 of the California Code of Regulations

Adult Day Health Care (ADHC) Center means a facility licensed to provide adult day health care, or a distinct portion of a licensed health facility in which such care is provided in a specialized unit, under a special permit issued by the Department

**Exhibit E, Attachment 1
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pursuant to Title 22, Section 54105 of the California Code of Regulations.

Adult Expansion Medical Loss Ratio (AE-MLR) means the Allowed Medical Expenses for the Covered Services provided to Adult Expansion Members under this Contract divided by the amount of Medi-Cal managed care Net Capitation Payments or revenues recorded by Contractor, by rating region. The AE-MLR will be measured by the same rating region that was used in the development of the capitation rates paid to the Contractor, under this Contract. For the first, second and third periods, the calculation excludes both the portion of Contractor's capitation revenues and associated expenses for items such as intergovernmental transfers, Hospital Quality Assurance Fees, Medi-Cal Managed Care Plan Taxes, Health Insurance Providers Fee (HIPF), Excluded Federal Taxes and Assessments, and Excluded State Taxes and Assessments. For the fourth period, the calculation excludes both the portion of Contractor's capitation revenues and associated expenses for items such as Medi-Cal Managed Care Plan Taxes, HIPF, Excluded Federal Taxes and Assessments, Excluded State Taxes and Assessments, and amounts paid under 42 CFR 438.6(d).

If a Staff Model Contractor does not account for Allowed Medical Expenses specifically by line of business and uses an allocation methodology, the AE-MLR shall be the average AE-MLR of all other Medi-Cal Managed Care Health Plans operating within the rating region in which Contractor operates. In such cases, the Staff Model Contractor's AE-MLR shall be excluded from the average AE-MLR.

Adult Expansion Member means a Member enrolled in aid codes L1, M1, and 7U as newly eligible and who meets the eligibility requirements in Title XIX of the federal Social Security Act, Section 1902(a)(10)(A)(i)(VIII), and the conditions as described in the federal Social Security Act, Section 1905(y). Expenditures for services provided to Adult Expansion Members qualify for the enhanced federal medical assistance percentage described in that section.

Affiliate means an organization or person that directly or indirectly through one or more intermediaries' controls, or is controlled by, or is under control with the Contractor and that provides services to, or receives services from, the Contractor.

AIDS Beneficiary means a Member for whom a Diagnosis of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) has been made by a treating physician based on the definition most recently published in the Mortality and Morbidity Report from the Centers for Disease Control and Prevention.

Alcohol Misuse Screening and Counseling (AMSC) means services provided by a Primary Care Physician to identify, reduce, and prevent problematic use, abuse, and dependence on alcohol.

Allied Health Personnel means specially trained, licensed, or credentialed health workers other than physicians, podiatrists and nurses.

Allowed Medical Expenses means Contractor's expenses incurred and accounted for

**Exhibit E, Attachment 1
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in accordance with Generally Accepted Accounting Principles (GAAP) for Covered Services delivered to Members during each period, including expenses incurred for utilization management and quality assurance activities, shared risk pools, incentive payments to Providers, Payments required by Directed Payment Initiatives and excluding administrative costs as defined in Title 28 CCR Section 1300.78.

- A. For the the first, second, and third periods, designated medical expense amounts included in the capitation rates that Contractor is required to pay Providers such as intergovernmental transfers, Hospital Quality Assurance Fees, Medi-Cal Managed Care Plan Taxes, HIPF, Excluded Federal Taxes and Assessments, and Excluded State Taxes and Assessments, are excluded. For the fourth period, designated medical expense amounts included in the capitation rates that Contractor is required to pay Providers such as Medi-Cal Managed Care Plan Taxes, HIPF, Excluded Federal Taxes and Assessments, Excluded State Taxes and Assessments, and amounts paid under 42 CFR 438.6(d), are excluded.
- B. Global sub-capitation payments made by Contractor, where entire Allowed Medical Expenses are shifted to another entity, gross or net of utilization management or quality assurance, shall not exceed 95 percent, unless otherwise agreed by DHCS of the Net Capitation Payment for consideration within Allowed Medical Expenses.
- C. Payments by Contractor to related party Providers shall not exceed the rate paid by Contractor for the same services to unrelated party Providers within the same ration region. Related parties are defined by GAAP.

All Plan Letter (APL) means a document that has been dated, numbered, and issued by DHCS that provides clarification of Contractor's obligations pursuant to this Contract, and may include instructions to Contractor regarding implementation of mandated changes in State or federal statutes or regulations, or pursuant to judicial interpretation.

American Indian means a Member who meets the criteria for an "Indian" as stated in 42 CFR 438.14(a), which includes membership in a federally recognized Indian tribe, resides in an urban center and meets one or more of the criteria stated in 42 CFR 438.14(a)(ii), is considered by the Secretary of the Interior to be an Indian for any purpose, or is considered by the Secretary of Health and Human Services to be an Indian for purposes of eligibility for Indian health care services, including as a California Indian, Eskimo, Aleut, or other Alaska Native.

American Indian Health Service Programs means Facilities operated with funds from the Indian Health Service under the Indian Self-Determination Act and the Indian Health Care Improvement Act, through which services are provided, directly or by contract, to the eligible American Indian population within a defined geographic area, per Title 22, Section 55000.

Ambulatory Care means the type of health services that are provided on an outpatient basis.

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Appeal means a review by Contractor of an adverse benefit determination, which includes one of the following actions:

- A) A denial or limited authorization of a requested service, including determinations based on the type or level of service, requirements for Medical Necessity, appropriateness, setting, or effectiveness of a Covered Service;
- B) A reduction, suspension, or termination of a previously authorized service;
- C) A denial, in whole or in part, of payment for a service;
- D) Failure to provide services in a timely manner; or
- E) Failure to act within the timeframes provided in 42 CFR 438.408(b).

Applied Behavioral Analysis (ABA) means the process of systematically applying interventions based upon the principles of learning theory to improve socially significant behaviors to a meaningful degree, and to demonstrate that the interventions employed are responsible for the improvement in behavior.

Autism Spectrum Disorder (ASD) means a developmental disability originating in the early development period and affecting social communication and behavior, which has been diagnosed in accordance with the Diagnostic and Statistical Manual, 5th Edition (DSM-5). ASD also includes diagnoses of Autistic Disorder, Pervasive Developmental Disorder Not Otherwise Specific (PDD-NOS), and Asperger Disorder that were made using DSM-IV criteria.

Auxiliary Aids mean supports that allow disabled Members to receive and understand information and include, but are not limited to, the use of TTY/TDD, Braille, large font of at least 18-point, and American Sign Language interpreters.

Basic Case Management means a collaborative process of assessment, planning, facilitation and advocacy for options and services to meet an individual's health needs. Services are provided by the Primary Care Physician (PCP) or by a PCP-supervised Physician Assistant (PA), Nurse practitioner (NP), or Certified Nurse Midwife, as the Medical Home. Coordination of carved out and linked services are considered basic case management services.

Behavioral Health Treatment (BHT) means services approved in the State Plan such as Applied Behavior Analysis (ABA) and other evidence-based behavioral interventions to prevent or minimize the adverse effects of ASD and promote, to the maximum extent practicable, the functioning of a Member. These services are interventions designed to treat ASD, and include a variety of evidence-based behavioral interventions identified by nationally recognized research reviews and/or other nationally recognized scientific and clinical evidence that are designed to be delivered primarily in the home and in other community settings.

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Beneficiary Assignment means the act of the California Department of Health Care Services (DHCS) or DHCS' enrollment contractor of notifying an Eligible Beneficiary in writing of the health plan in which the beneficiary shall be enrolled if the beneficiary fails to timely choose a health plan. If, at any time, the beneficiary notifies DHCS or DHCS' enrollment contractor of the beneficiary's health plan choice, such choice shall override the beneficiary assignment and be effective as provided in Exhibit A, Attachment 16, Provision 2.

Beneficiary Identification Card (BIC) means a permanent plastic card issued by the State to Medi-Cal recipients which is used by Contractors and Providers to verify Medi-Cal eligibility and health plan enrollment.

California Children's Services (CCS) means those services authorized by the CCS program for the diagnosis and treatment of the CCS eligible conditions of a specific Member.

California Children's Services (CCS) Eligible Conditions means a physically handicapping condition defined in Title 22 CCR Section 41800.

California Children's Services (CCS) Program means the public health program which assures the delivery of specialized diagnostic, treatment, and therapy services to financially and medically eligible children under the age of 21 years who have CCS eligible conditions.

Capitated Revenues means the amount of Medi-Cal managed care Capitation Payments/revenues paid to Contractor by DHCS for all Covered Services provided to Full Benefit Dual Eligible, or for MLTSS Covered Services and IHSS provided to Partial Dual Eligible Members and Medi-Cal Only Members, whichever is applicable, across all counties in which Contractor operates as a Medi-Cal Managed Care Health Plan.

Capitation Payment means a regularly scheduled payment made by DHCS to Contractor on behalf of each Member enrolled under this Contract and based on the actuarially sound capitation rate for the provision of Covered Services, and made regardless of whether a Member receives services during the period covered by the payment.

Care Coordination means services which are included in Basic Case Management, Complex Case Management, Comprehensive Medical Case Management Services, Person Centered Planning and Discharge Planning, and are included as part of a functioning Medical Home.

Catastrophic Coverage Limitation means the date beyond which Contractor is not at risk, as determined by the Director, to provide or make reimbursement for illness of or injury to beneficiaries which results from or is greatly aggravated by a catastrophic occurrence or disaster, including, but not limited to, an act of war, declared or undeclared, and which occurs subsequent to enrollment.

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Claims and Eligibility Real-Time System (CERTS) means the mechanism for verifying a recipient's Medi-Cal or County Medical Services Program (CMSP) eligibility by computer.

Clean Claim means a claim that can be processed without obtaining additional information from the Provider of the service or from a third party.

Cold-Call Marketing means any unsolicited personal contact by the Contractor with a potential Member for the purpose of marketing (as identified within the definition of Marketing).

Community Based Adult Services (CBAS) means an outpatient, facility based service program that delivers Skilled Nursing Care, social services, therapies, personal care, family/caregiver training and support, nutrition services, transportation, and other services as defined in the Medi-Cal 2020 Waiver, to Members who meet applicable eligibility criteria.

CBAS Discharge Plan of Care means a plan of care prepared by the CBAS Provider for Members who have been determined by Contractor or DHCS to no longer be eligible for CBAS and must include:

- A. The Member's name and ID number
- B. The name(s) of the Member's physician(s)
- C. Date the Notice of Action was issued
- D. Date the CBAS benefit will be terminated
- E. Specific information about the Member's current medical condition, treatments, and medications
- F. A statement of how Enhanced Case Management services will be provided to the Member if eligible for these services
- G. A statement of the Member's right to file a Grievance or Appeal
- H. A space for the Member or the Member's representative to sign and date the Discharge Plan

CBAS Provider means an ADHC Center that provides CBAS to eligible Members and has been certified as a CBAS Provider by the California Department of Aging.

Complex Case Management means the systematic coordination and assessment of care and services provided to members who have experienced a critical event or diagnosis that requires the extensive use of resources and who need help navigating

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the system to facilitate appropriate delivery of care and services. Complex Case Management includes Basic Case Management.

Comprehensive Medical Case Management Services means services provided by a Primary Care Provider in collaboration with the Contractor to ensure the coordination of Medically Necessary health care services, the provision of preventive services in accordance with established standards and periodicity schedules and the continuity of care for an Eligible Beneficiary. It includes health risk assessment, treatment planning, coordination, referral, follow-up, and monitoring of appropriate services and resources required to meet an individual's health care needs.

Confidential Information means specific facts or documents identified as "confidential" by any law, regulations or contractual language.

Contract means this written agreement between DHCS and Contractor.

Contracting Providers means a physician, nurse, technician, teacher, researcher, hospital, home health agency, nursing home, or any other individual or institution that contracts with Contractor to provide medical services to Members.

Corrective Actions means specific identifiable activities or undertakings of the Contractor which address program deficiencies or problems.

Cost Avoid means Contractor requires a Provider to bill all liable third parties and receive payment or proof of denial of coverage from such third parties prior to Contractor paying the Provider for the services rendered.

County Department means the County Department of Social Services (DSS), or other county agency responsible for determining the initial and continued eligibility for the Medi-Cal program.

Covered Services means Medical Case Management and those services set forth in Title 22 CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301, and Title 17 CCR, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840. Covered Services do not include:

- A. Services for major organ transplants as specified in Exhibit A, Attachment 11, Provision 18.
- B. Home and Community Based Services (HCBS) Waiver Program Services as specified in Exhibit A, Attachment 11, provisions 14 and 21 regarding Waiver Programs, and Department of Developmental Services (DDS) Administered Medicaid Home and Community Based Services Waiver. *HCBS do not include any service that is available as an EPSDT service services are covered under this Contract, as specified in Exhibit A, Attachment 10 regarding Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services.*

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- C. California Children's Services (CCS) as specified in Exhibit A, Attachment 11, Provision 9.
- D. Specialty Mental Health Services as specified in Exhibit A, Attachment 11, Provision 6.
- E. Specialty Mental Health Services provided by psychiatrists; psychologists; licensed clinical social workers; or marriage, family, and child counselors.
- F. Alcohol and substance use disorder treatment services and outpatient heroin detoxification as specified in Exhibit A, Attachment 11, Provision 7.
- G. Fabrication of optical lenses as specified in Exhibit A, Attachment 10, Provision 8.
- H. Directly observed therapy for treatment of tuberculosis as specified in Exhibit A, Attachment 11, Provision 16.
- I. Dental services as specified in W & I Code Sections 14132(h), 14131.10, 14132.22, 14132.23, and 14132.88, and EPSDT dental services as described in Title 22 CCR Section 51340.1(b). *However, Contractor is responsible for all Covered Services as specified in Exhibit A, Attachment 11, Provision 15 regarding dental services.*
- J. Chiropractic services as specified in Title 22 CCR Section 51308.
- K. Prayer or spiritual healing as specified in Title 22 CCR Section 51312.
- L. Local Education Agency (LEA) assessment services as specified in Title 22 CCR Section 51360(b) provided to a Member who qualifies for LEA services based on Title 22 CCR Section 51190.1.
- M. Any LEA services as specified in Title 22 CCR Section 51360 provided pursuant to an Individualized Education Plan (IEP) as set forth in Education Code, Section 56340 et seq. or an Individualized Family Service Plan (IFSP) as set forth in Government Code Section 95020, or LEA services provided under an Individualized Health and Support Plan (IHSP), as described in Title 22 CCR Section 51360.
- N. Laboratory services provided under the State serum alpha-fetoprotein-testing program administered by the Genetic Disease Branch of California Department of Public Health.
- O. Pediatric Day Health Care.
- P. Personal Care Services.

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- Q. State Supported Services.
- R. Targeted case management services as specified in Title 22 CCR Sections 51185 and 51351, and as described in Exhibit A, Attachment 11, Provision 3.
- S. Childhood lead poisoning case management provided by county health departments.
- T. Psychotherapeutic drugs that are listed in the Medi-Cal Provider Manual, MCP: Two-Plan Model, Capitated/Noncapitated Drugs section, which lists excluded psychiatric drugs.
- U. Human Immunodeficiency Virus (HIV) and AIDS drugs that are listed in the Medi-Cal Provider Manual, MCP: Two-Plan Model, Capitated/Noncapitated Drugs section, which lists excluded HIV/AIDS drugs.
- V. Optional benefits as set forth in Welfare and Institutions Code Section 14131.10, as implemented by the Medi-Cal Fee-For-Service program.
- W. Non-medical services provided by Regional Centers to individuals with developmental disabilities, including but not limited to, respite, out-of-home placement, and supportive living.
- X. End of life services as stated in Health and Safety Code Section 443 et seq., and APL 16-006.

Credentialing means the recognition of professional or technical competence. The process involved may include registration, certification, licensure and professional association membership.

Credibility Adjustment means an adjustment to the MLR when Contractor is Partially Credible to account for a difference between the actual and target MLRs that may be due to random statistical variation.

Delivery means a live birth that generates a Vital Record for the State of California.

Department of Health and Human Services (DHHS) means the Federal agency responsible for management of the Medicaid program.

Directed Payment Initiative means a CMS-approved payment arrangement described in 42 CFR 438.6(c) that directs certain expenditures made by Contractor under this Contract.

California Department of Health Care Services (DHCS) means the single State Department responsible for administration of the Federal Medicaid (referred to as Medi-Cal in California) Program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention

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(CHDP), and other health related programs.

Department of Managed Health Care (DMHC) means the State agency responsible for administering the Knox-Keene Health Care Service Plan Act of 1975.

Diagnosis of AIDS means a clinical diagnosis of AIDS that meets the most recent communicable disease surveillance case definition of AIDS established by the Federal Centers for Disease Control and Prevention (CDC), United States Department of Health and Human Services, (DHHS) and published in the Morbidity and Mortality Weekly Report (MMWR) or its supplements, in effect for the month in which the clinical diagnosis is made.

Dietitian/Nutritionist means a person who is registered or eligible for registration as a Registered Dietitian by the Commission on Dietetic Registration (Business and Professions Code, Chapter 5.65, Sections 2585 and 2586).

Director means the Director of the California Department of Health Care Services.

Discharge Planning means planning that begins at the time of admission to a hospital or institution to ensure that necessary care, services and supports are in place in the community before individuals leave the hospital or institution in order to reduce readmission rates, improve Member and family preparation, enhance Member satisfaction, assure post-discharge follow-up, increase medication safety, and support safe transitions.

Disproportionate Share Hospital (DSH) means a health facility licensed pursuant to Health and Safety Code, Chapter 2, Division 2, to provide acute inpatient hospital services, which is eligible to receive payment adjustments from the State pursuant to Welfare and Institutions Code, Section 14105.98.

Durable Medical Equipment (DME) means Medically Necessary medical equipment that is prescribed for the Member by Provider and is used in the Member's home, in the community or in an institution that is used as a home.

Eligible Beneficiary means any Medi-Cal beneficiary who is residing in Contractor's Service Area with one of the following aid codes:

Aid Group	Mandatory Aid Codes	Non-Mandatory Aid Codes
Adult & Family/Optional Targeted Low-Income Child	01, 02, 08, 0A, 0E, 30, 32, 33, 34, 35, 37, 38, 39, 3A, 3C, 3E, 3F, 3G, 3H, 3L, 3M, 3N, 3P, 3R, 3U, 3W, 47, 54, 59, 72, 7A, 7J, 7S, 7W, 7X, 82, 8P, 8R, E2, E5, K1, M3, M7, P5, P7, P9, 5C, 5D, E6, E7, H1, H2, H3, H4, H5, M5,	03, 04, 06, 07, 40, 42, 43, 45, 46, 49, 86, 4A, 4F, 4G, 4H, 4K, 4L, 4M, 4N, 4S, 4T, 4W, 5K

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	T1, T2, T3, T4, T5	
Family/Dual Eligible	0E, 30, 32, 33, 34, 35, 37, 38, 39, 3E, 3F, 3G, 3H, 3L, 3M, 3N, 3P, 3R, 3U, 3W, 47, 54, 59, 72, 7A, 7J, 7W, 7X, 82, 8P, 8R, E2, E5, K1, M3, M7, P5, P7, P9	03, 04, 06, 07, 40, 42, 43, 45, 46, 49, 4A, 4F, 4G, 4H, 4K, 4L, 4M, 4N, 4S, 4T, 4W, 5K
SPD	10, 14, 16, 1E, 1H, 20, 24, 26, 2E, 2H, 36, 60, 64, 66, 6A, 6C, 6E, 6G, 6H, 6J, 6N, 6P, 6V	
Adult Expansion	L1, M1, 7U	
Breast and Cervical Cancer Treatment Program (BCCTP)		0N, 0P, 0W
Long Term Care/Full Dual Eligible	13, 23, 63	
Long Term Care/ Non-Full Dual Eligible	13, 23, 63	
SPD/Dual Eligible	10, 14, 16, 17, 1E, 1H, 1X, 1Y, 20, 24, 26, 27, 2E, 2H, 36, 60, 64, 66, 67, 6A, 6C, 6E, 6G, 6H, 6J, 6N, 6P, 6V, 6W, 6X, 6Y	

An Eligible Beneficiary may continue to be a Member following any redetermination of Medi-Cal eligibility that determines that the individual is eligible for, and the individual thereafter enrolls in, the BCCTP.

The following exclusions apply to all the above:

- A. Individuals who have been approved by the Medi-Cal Field Office or the California Children Services Program for any major organ transplant that is a Medi-Cal FFS benefit except kidney transplants.
- B. Individuals who have commercial HMO coverage. Individuals with Medicare FFS coverage are not excluded from enrolling under this Contract.

Emergency Medical Condition means a medical condition (including emergency labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in any of the following:

- A. Placing the health of the individual (or, in the case of a pregnant woman, the health of the woman or her unborn child) in serious jeopardy.

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- B. Serious impairment to bodily function.
- C. Serious dysfunction of any bodily organ or part.

Emergency Medical Transportation means ambulance services for an Emergency Medical Condition, and includes emergency air transportation.

Emergency Services means covered inpatient and outpatient services that are furnished by a Provider that is qualified to furnish those services and that are needed to evaluate or stabilize an emergency medical condition.

Encounter means any single medically related service rendered by (a) medical Provider(s) to a Member enrolled with Contractor during the date of service. It includes, but is not limited to, all services for which Contractor incurred any financial liability.

Encounter Data means the information that describes health care interactions between Members and Providers relating to the receipt of any item(s) or service(s) by a Member under this contract and subject to the standards of 42 CFR 438.242 and 438.818.

Enhanced Case Management (ECM) means a service for Members who received ADHC services from July 1, 2011 through February 29, 2012 but were deemed ineligible for CBAS, consisting of Complex Case Management and Person-Centered Planning services including the coordination of eligible Medi-Cal beneficiaries' individual needs for the full array of necessary long-term services and supports including medical, social, educational, and other services, whether covered or not under the Medicaid program, and periodic in-person consultation with the Member and/or the Member's designees.

Enrollment means the process by which an Eligible Beneficiary becomes a Member of the Contractor's plan.

Excluded Federal Taxes and Assessments means all federal taxes and assessments allocated to health insurance coverage, including but not limited to federal income taxes and the Patient Centered Outcomes Research Institute (PCORI) Fee.

Excluded Service means a service that is covered by the Medi-Cal program but is not covered by Contractor because it is carved out of Contractor's contractual obligations for the provision of Covered Services.

Excluded State Taxes and Assessments means:

- A. Any industry-wide or subset assessments, other than surcharges on specific claims, paid to the State directly, or premium subsidies that are designed to cover the costs of providing indigent care or other access to health care throughout the State as applicable under this Contract;

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- B. Guaranty fund assessments;
- C. Assessments of State industrial boards or other boards for operating expenses or for benefits to sick employed persons in connection with disability benefit laws or similar taxes levied by the State;
- D. State income, excise, and business taxes other than premium taxes;
- E. State premium taxes plus State taxes based on policy reserves, if in lieu of premium taxes; and
- F. Payments made by a Federal income tax exempt issuer for community benefit expenditures, to the extent allowed pursuant to 45 CFR 158.162(b)(1)(vii).

External Accountability Set (EAS) means a set of HEDIS® and DHCS-developed performance measures selected by DHCS for evaluation of health plan performance.

External Quality Review means an analysis and evaluation by the EQRO of aggregated information on quality, timeliness and access to the Covered Services that Contractor or its Subcontractors furnish to Members, as referenced for related activities in Exhibit A, Attachment 4 of this Contract.

External Quality Review Organization (EQRO) means a Peer Review Organization (PRO), PRO-like entity, or accrediting body that is an expert in the scientific review of the quality of health care provided to Medicaid beneficiaries in a state's Medicaid managed care plans, meets the competence and independence requirements set forth in 42 CFR 438.354, and is contracted with DHCS to perform External Quality Reviews and other related activities per 42 CFR 438.358.

Facility means any premise that is:

- A. Owned, leased, used or operated directly or indirectly by or for Contractor or its affiliates for purposes related to this Contract, or
- B. Maintained by a Provider to provide services on behalf of Contractor.

Federal Financial Participation means Federal expenditures provided to match proper State expenditures made under approved State Medicaid plans.

Federally Qualified Health Center (FQHC) means an entity defined in Section 1905 of the Social Security Act (42 USC Section 1396d(l)(2)(B)).

Federally Qualified Health Maintenance Organization (FQHMO) means a prepaid health delivery plan that has fulfilled the requirements of the HMO Act, along with its amendments and regulations, and has obtained the Federal Government's qualification status under Section 1310(d) of the Public Health Service Act (42 USC Section 300e).

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Fee-For-Service (FFS) means a method of payment based upon per unit or per procedure billing for services rendered to an Eligible Beneficiary.

Fee-For-Service Medi-Cal means the component of the Medi-Cal Program which Medi-Cal Providers are paid directly by the State for services not covered under this Contract.

Fee-For-Service Medi-Cal Mental Health Services (FFS/MC) means the services covered through Fee-For-Service Medi-Cal which includes mental health outpatient services and acute care inpatient services.

File and Use means a submission to DHCS that does not need review and approval prior to use or implementation, but which DHCS can require edits as determined.

Financial Performance Guarantee means cash or cash equivalents which are immediately redeemable upon demand by DHCS, in an amount determined by DHCS, which shall not be less than one full month's capitation.

Financial Statements means the Financial Statements which include a Balance Sheet, Income Statement, Statement of Cash Flows, Statement of Equity and accompanying footnotes prepared in accordance with Generally Accepted Accounting Principles.

Fiscal Year (FY) means any 12-month period for which annual accounts are kept. The State Fiscal Year is July 1 through June 30, the Federal Fiscal Year is October 1 through September 30.

Full Benefit Dual Eligible Member means a Member who is 21 years of age or older, is eligible for Medi-Cal and for benefits under Medicare Part A (42 U.S.C. Sec. 1395c et seq.) and Medicare Part B (42 U.S.C. Sec. 1395j et seq.) but who does not fall under any of the Adult Expansion aid codes.

Fully Credible means a standard, determined annually when CMS publishes base credibility factors specifying the number of Member months necessary for Contractor's experience to be deemed Fully Credible, where Contractor's experience is determined to be sufficient for the calculation of a MLR with a minimal chance that the difference between the actual and target MLR is not statistically significant. If Contractor's experience is Fully Credible, it will not receive a credibility adjustment to its MLR.

General and Administrative Expenses means expenses as defined in Title 28 CCR Section 1300.78. These expenses are not part of Allowed Medical Expenses, but are part of Net Capitation Payments.

Grievance means an oral or written expression of dissatisfaction about any matter other than an action that is an adverse benefit determination, as identified within the definition of an Appeal, and may include, but is not limited to: the quality of care or services provided, interpersonal relationships with a Provider or Contractor's employee, failure to respect a Member's rights regardless of whether remedial action is requested, and the

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right to dispute an extension of time proposed by Contractor to make an authorization decision.

Health Insurance Providers Fee (HIPF) means an annual fee starting in 2014 and paid by covered entities that provide health insurance for United States health risks during each year as described under Section 9010 of the Patient Protection and Affordable Care Act (Public Law 111-148), and as amended by the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

Health Maintenance Organization (HMO) means an organization that is not a Federally qualified HMO, but meets the State Plan's definition of an HMO including the requirements under Section 1903(m)(2)(A)(i-vii) of the Social Security Act. An organization that, through a coordinated system of health care, provides or assures the delivery of an agreed upon set of comprehensive health maintenance and treatment services for an enrolled group of persons through a predetermined periodic fixed prepayment.

Health Plan Employer Data and Information Set (HEDIS®) means the set of standardized performance measures sponsored and maintained by the National Committee for Quality Assurance.

HEDIS® Compliance Audit means an audit process that uses specific standards and guidelines for assessing the collection, storage, analysis, and reporting of HEDIS® measures. This audit process is designed to ensure accurate HEDIS® reporting.

Individualized Plan of Care (IPC) means a written plan designed to provide the Member determined to be eligible for CBAS with appropriate treatment in accordance with the assessed needs of the Member.

In-Home Support Services (IHSS) means services provided to Members by the County in accordance with the requirements set forth in W & I Code Section 14186.1(c)(1), and Article 7 of the W & I Code, commencing with Section 12300 of Chapter 3, and Sections 14132.95, 14132.952, and 14132.956.

Intermediate Care Facility (ICF) means a Facility which is licensed as an ICF by DHCS or a hospital or Skilled Nursing Facility which meets the standards specified in Title 22 CCR Section 51212 and has been certified by DHCS for participation in the Medi-Cal program.

Joint Commission on the Accreditation of Health Care Organizations (JCAHO) means the organization composed of representatives of the American Hospital Association, the American Medical Association, the American College of Physicians, the American College of Surgeons, and the American Dental Association. JCAHO provides health care accreditation and related services that support performance improvement in health care organizations.

Knox-Keene Health Care Service Plan Act of 1975 means the law that regulates

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HMOs and is administrated by the DMHC, commencing with, Health and Safety Code Section 1340.

Laboratory Testing Site means any laboratory and any Provider site, such as a PCP or Specialist office or clinic, that performs tests or examinations on human biological specimens derived from the human body.

Long-Term Care (LTC) means care provided in a skilled nursing facility and sub-acute care services that lasts longer than 60 days.

Managed Long Term Services and Support (MLTSS) means services and supports provided by Contractor to Members who have functional limitations and/or chronic illnesses and which have the primary purpose of supporting the ability of the Member to live or work in the setting of their choice, which may include the Member's home, a worksite, a Provider-owned or controlled residential setting, a nursing facility, or other institutional setting. In this Contract, MLTSS includes CBAS, LTC, MSSP, and SNFs, to the extent Contractor is at-risk for covering SNF services.

Marketing means any activity conducted by or on behalf of the Contractor where information regarding the services offered by the Contractor is disseminated in order to persuade or influence Eligible Beneficiaries to enroll. Marketing also includes any similar activity to secure the endorsement of any individual or organization on behalf of the Contractor.

Marketing Materials means materials produced in any medium, by or on behalf of the Contractor that can reasonably be interpreted as intended to market to Potential Enrollees.

Marketing Representative means a person who is engaged in Marketing activities on behalf of the Contractor.

Medi-Cal Eligibility Data System (MEDS) means the automated eligibility information processing system operated by the State which provides on-line access for recipient information, update of recipient eligibility data and on-line printing of immediate need beneficiary identification cards.

Medi-Cal Managed Care Health Plan means a managed care health plan that contracts with the Department of Health Care Services for provision or arrangement of Medi-Cal benefits and services.

Medi-Cal Managed Care Plan Taxes mean the extension of the State sales tax to sellers of Medi-Cal Managed Care plans for the privilege of selling Medi-Cal related health care services at retail in California as described under Revenue and Taxation Code Sections 6174 through 6189, and any successor State managed care organization provider tax applicable to Contractor.

Medi-Cal Only Member means a Member who is eligible for only Medi-Cal and

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receives CBAS, MSSP, or LTC services from Contractor.

Medi-Cal Provider Manual means the multi-part document published and maintained by DHCS at http://files.medi-cal.ca.gov/pubsdoco/Manuals_menu.asp. The Manual includes program overviews, eligibility requirements, billing and claiming requirements, and instructions relating to specific programs and Provider types.

Medical Home means a place where a Member's medical information is maintained and care is accessible, continuous, comprehensive and culturally competent. A Medical Home shall include at a minimum: a Primary Care Physician (PCP) who provides continuous and comprehensive care; a physician-directed medical practice where the PCP leads a team of individuals who collectively take responsibility for the ongoing care of a Member; whole person orientation where the PCP is responsible for providing all of the Member's health care needs or appropriately coordinating care; optimization and accountability for quality and safety by the use of evidence-based medicine, decision support tools, and continuous quality improvement; ready access to assure timely preventive, acute and chronic illness treatment in the appropriate setting; and payment which is structured based on the value of the patient-centered medical home and to support care management, coordination of care, enhanced communication, access and quality measurement services. This definition can change to include all standards as set forth in W&I Code 14182(c)(13)(B).

Medical Loss Ratio (MLR) Reporting Year means a period of 12 months rating period established by DHCS.

Medical Records means written documentary evidence of treatments rendered to plan Members.

Medically Necessary or Medical Necessity means reasonable and necessary Covered Services to protect life, to prevent illness or disability, alleviate severe pain through the diagnosis or treatment of disease, illness, or injury, achieve age-appropriate growth and development, and attain, maintain, or regain functional capacity. For Members receiving MLTSS, Medical Necessity shall be determined in accordance with Exhibit A, Attachment 21, Provision 7, Covered Services.

When determining the Medical Necessity of Covered Services for a Medi-Cal Member under the age of 21, "Medical Necessity" is expanded to include the standards set forth in 42 USC Section 1396d(r), and W & I Code Section 14132 (v).

Member means any Eligible Beneficiary who has enrolled in the Contractor's plan. For the purposes of this Contract, "Enrollee" shall have the same meaning as "Member."

Member Evaluation Tool (MET) means the information collected from a Health Information Form (HIF), a high-level initial assessment completed by Members at the time of enrollment through which they may self-identify disabilities, acute and chronic health conditions, and transitional service needs. For newly enrolled SPD beneficiaries Contractor must use the MET as part of the health risk assessment process.

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Minimum Performance Level refers to a minimum requirement of performance of Contractor on each of the External Accountability Set measures.

Minor Consent Services means those Covered Services of a sensitive nature which minors do not need parental consent to access, related to:

- A. Sexual assault, including rape.
- B. Drug or alcohol abuse for children 12 years of age or older.
- C. Pregnancy.
- D. Family planning.
- E. Sexually transmitted diseases (STDs), designated by the Director, in children 12 years of age or older.
- F. Outpatient mental health care for children 12 years of age or older who are mature enough to participate intelligently and where either (1) there is a danger of serious physical or mental harm to the minor or others or (2) the children are the alleged victims of incest or child abuse.

Multipurpose Senior Service Program (MSSP) means the Waiver program that provides social and health care management to a Member who is 65 years or older and meets a nursing facility level of care as an alternative to nursing facility placement in order to allow the Member to remain in their home, pursuant to the Medi-Cal 2020 Waiver.

National Committee for Quality Assurance (NCQA) is a non-profit organization committed to evaluating and publicly reporting on the quality of managed care plans.

NCQA Licensed Audit Organization is an entity licensed to provide auditors certified to conduct HEDIS Compliance Audits.

Net Capitation Payments means for the first, second and third periods Contractor's capitation revenues less designated amounts included in capitation rates that Contractor is required to pay to Providers such as intergovernmental transfers, Hospital Quality Assurance Fees, Medi-Cal Managed Care Plan Taxes, HIPF, Excluded Federal Taxes and Assessments, and Excluded State Taxes and Assessments. For the fourth period, Contractor's capitation revenues, including amounts related to Directed Payment Initiatives, less designated amounts included in capitation rates that Contractor is required to pay to Providers such as Medi-Cal Managed Care Plan Taxes, HIPF, Excluded Federal Taxes and Assessments, Excluded State Taxes and Assessments, and amounts paid under 42 CFR 438.6(d). For all periods. Net Capitation Payments shall exclude retroactive adjustments relating to the prior service period(s) and shall include amounts accrued/recognized for the service period in accordance with GAAP.

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Network means PCPs, Specialists, hospitals, pharmacy, ancillary Providers, facilities, and any other Providers that Subcontract with Contractor for the delivery of Medi-Cal Covered Services.

Network Provider means a Provider that subcontracts with Contractor for the delivery of Medi-Cal Covered Services.

Newborn Child means a child born to a Member during her membership or the month prior to her membership.

Non-Claims Costs means those expenses for administrative services that are not incurred claims, expenditures on activities that improve health care quality, licensing and regulatory fees, or federal and state taxes.

Non-Credible means a standard, determined annually when CMS publishes base credibility factors specifying the number of Member months necessary for Contractor's experience to be deemed Non-Credible, where Contractor's experience is determined to be insufficient for the calculation of a MLR.

Non-Emergency Medical Transportation (NEMT) means ambulance, litter van or wheelchair van medical transportation services. NEMT is used when the Member's medical and physical condition is such that transport by ordinary means of public or private conveyance is medically contraindicated, and transportation is required for the purpose of obtaining needed medical care, and per Title 22 CCR Sections 51323, 51231.1, and 51231.2, is rendered by licensed Providers.

Non-Medical Transportation (NMT) means transportation of Members to obtain covered Medi-Cal services by passenger car, taxicabs, or other forms of public or private conveyances, and mileage reimbursement when conveyance is in a private vehicle arranged by the Member and not through a transportation broker, bus passes, taxi vouchers, or train tickets. NMT does not include the transportation of sick, injured, invalid, convalescent, infirm, or otherwise incapacitated Members by ambulances, litter vans, or wheelchair vans licensed, operated and equipped in accordance with State and local statutes, ordinances, or regulations.

Non-Physician Medical Practitioners (Mid-Level Practitioner) means a nurse practitioner, certified nurse midwife, or physician assistant authorized to provide Primary Care under Physician supervision.

Non-Quantitative Treatment Limitation (NQTL) means a limit on the scope or duration of benefits.

Notice of Action (NOA) means the notification of an adverse benefit determination that is sent by Contractor to a Member in accordance with the notice and timing requirements set forth in 42 CFR 438.404.

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Not Reported means: 1) Contractor calculated the measure but the result was materially biased; 2) Contractor did not calculate the measure even though a population existed for which the measure could have been calculated; and/or, 3) Contractor calculated the measure but chose not to report the rate.

Nurse means a person licensed by the California Board of Nursing as, at least, a Registered Nurse (RN).

Other Healthcare Coverage Sources (OHCS) means the responsibility of an individual or entity, other than Contractor or the Member, for the payment of the reasonable value of all or part of the healthcare benefits provided to a Member. Such OHCS may originate under any other State, Federal or local medical care program or under other contractual or legal entitlement, including, but not limited to, a private group or indemnification program. This responsibility may result from a health insurance policy or other contractual agreement or legal obligation, excluding tort liability.

Out-of-Network Provider means a Provider that does not participate in Contractor's Network.

Outpatient Care means treatment provided to a Member who is not confined in a health care facility.

Outpatient Mental Health Services means outpatient services that Contractor will provide for Members with mild to moderate mental health conditions requiring services not covered by the county mental health plan as specialty mental health services, including: individual or group mental health evaluation and treatment (psychotherapy); psychological testing when clinically indicated to evaluate a mental health condition; psychiatric consultation for medication management; and outpatient laboratory, supplies, and supplements.

Overpayment means any payment made by Contractor to a Network Provider to which the Network Provider is not entitled to under Title XIX of the Act or any payment to Contractor by DHCS to which Contractor is not entitled to under Title XIX of the Act.

Partially Credible means a standard, determined annually when CMS publishes base credibility factors specifying the number of Member months necessary for Contractor's experience to be determined Partially Credible, where Contractor's experience is sufficient for the calculation of a MLR, but with a non-negligible chance that the difference between the actual and target MLRs is statistically significant. If Contractor's experience is Partially Credible, it will receive a credibility adjustment to its MLR.

Partial Dual Eligible Member means a Member who is 21 years of age or older and is eligible for Medi-Cal, and who is also eligible for benefits under either Medicare Part A (42 U.S.C. Sec. 1395c et seq.) or Medicare Part B (42 U.S.C. Sec. 1395j et seq.).

Pediatric Subacute Care means health care services needed by a person under 21 years of age who uses a medical technology that compensates for the loss of vital

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bodily function. Medical Necessity criteria are described in the Physician's Manual of Criteria for Medi-Cal Authorization.

Performance Improvement Projects (PIPs) means studies selected by Medi-Cal Managed Care Health Plans, either independently or in collaboration with DHCS and other participating Medi-Cal Managed Care Health Plans, to be used for performance improvement purposes. The studies include four (4) phases and may occur within a 24-month time frame.

Person-Centered Planning means an ongoing process designed to develop an individualized care plan specific to each person's abilities and preferences. Person-centered planning is an integral part of Basic and Complex Case Management and Discharge Planning.

Physician means a person duly licensed as a physician by the Medical Board of California.

Physician Incentive Plan means any compensation arrangement between Contractor and a physician or a physician group that may not directly or indirectly have the effect of reducing or limiting services provided to Members under this Contract.

Policy Letter means a document that has been dated, numbered, and issued by the Medi-Cal Managed Care Division, provides clarification of Contractor's obligations pursuant to this Contract, and may include instructions to the Contractor regarding implementation of mandated changes in State or Federal statutes or regulations, or pursuant to judicial interpretation.

Post-Payment Recovery means Contractor pays the Provider for the services rendered and then uses all reasonable efforts to recover the cost of the services from all liable third parties.

Potential Enrollee means a Medi-Cal recipient who is subject to mandatory enrollment or may voluntarily elect to enroll in a given managed care program, but is not yet an enrollee of a specific plan.

Prescription Drug means a drug and/or medication that can only be accessed by prescription.

Preventive Care means health care designed to prevent disease and/or its consequences.

Primary Care means a basic level of health care usually rendered in ambulatory settings by general practitioners, family practitioners, internists, obstetricians, pediatricians, and mid-level practitioners. This type of care emphasizes caring for the Member's general health needs as opposed to Specialists focusing on specific needs.

Primary Care Physician (PCP) means a physician responsible for supervising,

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coordinating, and providing initial and primary care to patients and serves as the Medical Home for Members. The PCP is a general practitioner, internist, pediatrician, family practitioner, or obstetrician/gynecologist (OB/GYN). For SPD beneficiaries, a PCP may also be a Specialist or clinic in accordance with W & I Code 14182 (b)(11).

Primary Care Provider means a person responsible for supervising, coordinating, and providing initial and primary care to patients; for initiating referrals; and for maintaining the continuity of patient care. A Primary Care Provider may be a Primary Care Physician (PCP) or Non-Physician Medical Practitioner.

Prior Authorization means a formal process requiring a Provider to obtain advance approval of Covered Services Medically Necessary and to what amount, duration, and scope, except in the case of an emergency.

Provider means any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.

Provider Grievance means an oral or written expression of dissatisfaction, including any complaint, dispute, request for reconsideration or appeal made by a Provider. DHCS considers Provider complaints and appeals the same as a Provider Grievance.

Provider-Preventable Condition (PPC) means a condition occurring in an inpatient hospital setting, or a condition occurring in any health care setting, that meets the criteria as stated in 42 CFR 447.26(b).

Quality Improvement (QI) means the result of an effective Quality Improvement System.

Quality Improvement System (QIS) means the systematic activities to monitor and evaluate the medical care delivered to Members according to the standards set forth in regulations and contract language. Contractor must have processes in place, which measure the effectiveness of care, identify problems, and implement improvement on a continuing basis.

Quality of Care means the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge.

Quality Indicators means measurable variables relating to a specific clinic or health services delivery area which are reviewed over a period of time to screen delivered health care and to monitor the process or outcome of care delivered in that clinical area.

Quantitative Treatment Limitation (QTL) means a limit on the scope or duration of a benefit that is expressed numerically.

Rural Health Clinic (RHC) means an entity defined in Title 22 CCR Section 51115.5.

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Safety-Net Provider means any Provider of comprehensive primary care or acute hospital inpatient services that provides these services to a significant total number of Medi-Cal and charity and/or medically indigent patients in relation to the total number of patients served by the Provider. Examples of Safety-Net Providers include Federally Qualified Health Centers; governmentally operated health systems; community health centers; Rural and American Indian Health Service Programs; disproportionate share hospitals; and public, university, rural, and children's hospitals.

Seniors and Persons with Disabilities (SPD) means Medi-Cal beneficiaries who fall under specific SPD aid codes as defined by the department (See Eligible Beneficiary).

Service Area means the county or counties that the Contractor is approved to operate in under the terms of this Contract. A Service Area may have designated zip Codes (under the U.S. Postal Service) within a county that are approved by DHCS to operate under the terms of this Contract.

Service Authorization Request means a Member's request for the provision of a Covered Service.

Service Location means any location at which a Member obtains any health care service provided by the Contractor under the terms of this Contract.

Skilled Nursing Care means Covered Services provided by licensed nurses, technicians, and/or therapists during a stay in a Skilled Nursing Facility or in a Member's home.

Skilled Nursing Facility (SNF) means, as defined in Title 22 CCR Section 51121(a), any institution, place, building, or agency which is licensed as a SNF by DHCS or is a distinct part or unit of a hospital, meets the standard specified in Section 51215 of these regulations (except that the distinct part of a hospital does not need to be licensed as a SNF) and has been certified by DHCS for participation as a SNF in the Medi-Cal program. Section 51121(b) further defines the term "Skilled Nursing Facility" as including terms "skilled nursing home", "convalescent hospital", "nursing home," or "nursing facility."

Specialist means a Physician who has completed advanced education and clinical training in a specific area of medicine or surgery.

Specialty Care Center means a center that is accredited or designated by the State or federal government, or by a voluntary national health organization, as having special expertise in treating the life-threatening disease or condition or degenerative and disabling disease or condition for which it is accredited or designated.

Specialty Mental Health Provider means a person or entity who is licensed, certified or otherwise recognized or authorized under State law governing the healing arts and who meets the standards for participation in the Medi-Cal program to provide Specialty Mental Health Services.

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Specialty Mental Health Service means:

- A. Rehabilitative services, which includes mental health services, medication support services, day treatment intensive, day rehabilitation, crisis intervention, crisis stabilization, adult residential treatment services, crisis residential services, and psychiatric health facility services;
- B. Psychiatric inpatient hospital services;
- C. Targeted Case Management;
- D. Psychiatrist services;
- E. Psychologist services; and
- F. EPSDT Specialty Mental Health Services.

Staff Model Contractor means a Health Maintenance Organization (HMO) that directly employs salaried Providers, and its Providers who only practice out of the HMO's buildings, and who may only provide services to its own Members.

Staff Model Providers means a Staff Model Contractor that has subcontracted with Contractor to provide Covered Services to Contractor's Members.

Standing Referral means a referral by a Primary Care Physician to a Specialist for more than one visit to the Specialist, as indicated in the treatment plan, if any, without the primary care physician having to provide a specific referral for each visit.

State means the State of California

State Supported Services means those services that are provided under a different contract between the Contractor and the Department.

Subacute Care means, as defined in Title 22 CCR Section 51124.5, a level of care needed by a patient who does not require hospital acute care but who requires more intensive licensed Skilled Nursing Care than is provided to the majority of patients in a SNF.

Subcontract means a written agreement entered into by the Contractor with any of the following:

- A. A Provider of health care services who agrees to furnish Covered Services to Members.
- B. Any other organization or person(s) who agree(s) to perform any administrative function or service for the Contractor specifically related to fulfilling the

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Contractor's obligations to DHCS under the terms of this Contract.

Subcontractor means an individual or entity who has a Subcontract with Contractor that relates directly or indirectly to the performance of Contractor's obligations under this Contract with DHCS.

Sub-Subcontractor means any party to an agreement with a Subcontractor descending from and subordinate to a Subcontract, which is entered into for the purpose of providing any goods or services connected with the obligations under this Contract.

Supplemental Security Income (SSI) means the program authorized by Title XVI of the Social Security Act for aged, blind, and disabled persons.

Targeted Case Management (TCM) means services which assist Medi-Cal Members within specified target groups to gain access to needed medical, social, educational and other services. In prescribed circumstances, TCM is available as a Medi-Cal benefit as a discrete service, as well as through State or local government entities and their contractors.

Telehealth means a method of delivering health care services by using information and communication technologies to facilitate the diagnosis, consultation, treatment, education, care management, and self-management of a Member's health care while the Member is at a separate location from the health care Provider. Telehealth facilitates the Member's self-management and caregiver support for the Member.

Third Party Tort Liability (TPTL) means the responsibility of an individual or entity other than Contractor or the Member for the payment of claims for injuries, or trauma sustained by a Member. This responsibility may be contractual, a legal obligation, or as a result of, or the fault or negligence of, third parties (e.g., auto accidents or other personal injury casualty claims or Workers' Compensation appeals).

Traditional Provider means any physician who has delivered services to Medi-Cal beneficiaries within the last six months either through FFS Medi-Cal or a Medi-Cal Managed Care plan. The term includes physician and hospital Providers only, either profit or non-profit entities, publicly or non-publicly owned and operated.

Urgent Care means services required to prevent serious deterioration of health following the onset of an unforeseen condition or injury (i.e., sore throats, fever, minor lacerations, and some broken bones).

Utilization Review means the process of evaluating the necessity, appropriateness, and efficiency of the use of medical services, procedures and Facilities.

Vaccines for Children (VFC) Program means the Federally funded program that provides free vaccines for eligible children (including all Medi-Cal eligible children age 18 or younger) and distributes immunization updates and related information to

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participating Providers. Providers contracting with the Contractor are eligible to participate in this program.

Working day(s) mean State calendar (State Appointment Calendar, Standard 101) working day(s).

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1. Governing Law

In addition to Exhibit C, Provision 14. Governing Law, the following provisions apply:

A. If it is necessary to interpret this Contract, all applicable laws may be used as aids in interpreting the Contract. However, the parties agree that any such applicable laws shall not be interpreted to create contractual obligations upon DHCS or Contractor, unless such applicable laws are expressly incorporated into this Contract in some section other than this provision, Governing Law. Except for Provision 16. Sanctions, and Provision 17. Liquidated Damages below, the parties agree that any remedies for DHCS' or Contractor's non-compliance with laws not expressly incorporated into this Contract, or any covenants implied to be part of this Contract, shall not include money damages, but may include equitable remedies such as injunctive relief or specific performance. This Contract is the product of mutual negotiation, and if any ambiguities should arise in the interpretation of this Contract, both parties shall be deemed authors of this Contract.

B. Any provision of this Contract which is in conflict with current or future applicable Federal or State laws or regulations is hereby amended to conform to the provisions of those laws and regulations. Such amendment of the Contract shall be effective on the effective date of the statutes or regulations necessitating it, and shall be binding on the parties even though such amendment may not have been reduced to writing and formally agreed upon and executed by the parties.

Such amendment shall constitute grounds for termination of this Contract in accordance with the procedures and provisions of Provision 14, Paragraph C. Termination – Contractor below. The parties shall be bound by the terms of the amendment until the effective date of the termination.

C. Unless otherwise specified in this Contract, Contractor shall comply with all applicable provisions of the California Medicaid State Plan, and any current and applicable amendments thereto. The State Plan and all State Plan Amendments can be viewed at:

www.dhcs.ca.gov/formsandpubs/laws/Pages/CaliforniStatePlan.aspx

D. Contractor shall comply with all existing final PLs and APLs issued by DHCS. Final PLs and APLs can be viewed at:

www.dhcs.ca.gov/formsandpubs/Pages/MgdCarePlanPolicyLtrs.aspx

1) All PLs and APLs issued by DHCS subsequent to the effective date and during the term of this Contract shall provide clarification of

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Contractor's obligations pursuant to this Contract, and may include instructions to Contractor regarding implementation of mandated obligations pursuant to changes in State or federal statutes or regulations, or pursuant to judicial interpretation.

- 2) In the event there is an inconsistency between this Contract as stated in Paragraph B above and a DHCS APL or PL, the Contract shall prevail.

- E. Unless otherwise specified in this Contract, Contractor shall comply with all current and applicable provisions of the Medi-Cal Provider Manual, unless the Medi-Cal Provider Manual conflicts with this Contract, APLs, and/or any applicable federal or State laws, regulations, in which case the specific terms of this Contract, the APL, or the applicable law will apply.

2. Entire Agreement

This written Contract and any amendments shall constitute the entire agreement between the parties. No oral representations shall be binding on either party unless such representations are reduced to writing and made an amendment to the Contract.

3. Amendment Process

In addition to Exhibit C, Provision 2. Amendment, Contractor also agrees to the following:

Should either party, during the life of this Contract, desire a change in this Contract, that change shall be proposed in writing to the other party. The other party shall acknowledge receipt of the proposal within ten (10) calendar days of receipt of the proposal. The party proposing any such change shall have the right to withdraw the proposal any time prior to acceptance or rejection by the other party. Any proposal shall set forth an explanation of the reason and basis for the proposed change and the text of the desired amendment to this Contract which would provide for the change. If the proposal is accepted, this Contract shall be amended to provide for the change mutually agreed to by the parties on the condition that the amendment is approved by DHHS, and the State Department of Finance, if necessary.

4. Change Requirements

A. General Provisions

The parties recognize that during the life of this Contract, the Medi-Cal Managed Care program will be a dynamic program requiring numerous changes to its operations and that the scope and complexity of changes will vary widely over the life of the Contract. The parties agree that the

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development of a system which has the capability to implement such changes in an orderly and timely manner is of considerable importance.

B. Contractor's Obligation to Implement

The Contractor will make changes mandated by DHCS. In the case of mandated changes in regulations, statutes, Federal guidelines, or judicial interpretation, DHCS may direct the Contractor to immediately begin implementation of any change by issuing a change order. If DHCS issues a change order, the Contractor will be obligated to implement the required changes while discussions relevant to any capitation rate adjustment, if applicable, are taking place.

DHCS may, at any time, within the general scope of the Contract, by written notice, issue change orders to the Contract.

C. Moral or Religious Objections to Providing a Service

If the Contractor has a moral or religious objection to providing a service or referral for a service for which the Contractor is not responsible, during the term of this agreement, the Contractor shall notify the DHCS in writing providing sufficient detail to establish the moral or religious grounds for the objection.

5. Delegation of Authority

DHCS intends to implement this Contract through a single administrator, called the "Contracting Officer". The Director of DHCS will appoint the Contracting Officer. The Contracting Officer, on behalf of DHCS, will make all determinations and take all actions as are appropriate under this Contract, subject to the limitations of applicable Federal and State laws and regulations. The Contracting Officer may delegate his/her authority to act to an authorized representative through written notice to the Contractor

Contractor will designate a single administrator; hereafter called the "Contractor's Representative". The Contractor's Representative, on behalf of the Contractor, will make all determinations and take all actions as are appropriate to implement this Contract, subject to the limitations of the Contract, Federal and State laws and regulations. The Contractor's Representative may delegate his/her authority to act to an authorized representative through written notice to the Contracting Officer. The Contractor's Representative will be empowered to legally bind the Contractor to all agreements reached with DHCS.

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Contractor shall designate Contractor's Representative in writing and shall notify the Contracting Officer in accordance with Exhibit E, Attachment 2, Provision 10, Notices.

6. Authority of the State

Sole authority to establish, define, or determine the reasonableness, the necessity and level and scope of covered benefits under the Medi-Cal Managed Care program administered in this Contract or coverage for such benefits, or the eligibility of the beneficiaries or Providers to participate in the Medi-Cal Managed Care Program reside with DHCS.

Sole authority to establish or interpret policy and its application related to the above areas will reside with DHCS.

The Contractor may not make any limitations, exclusions, or changes in benefits or benefit coverage; any changes in definition or interpretation of benefits; or any changes in the administration of the Contract related to the scope of benefits, allowable coverage for those benefits, or eligibility of beneficiaries or Providers to participate in the program, without the express, written direction or approval of the Contracting Officer.

7. Fulfillment of Obligations

No covenant, condition, duty, obligation, or undertaking continued or made a part of this Contract will be waived except by written agreement of the parties hereto, and forbearance or indulgence in any other form or manner by either party in any regard whatsoever will not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed or discharged by the party to which the same may apply; and, until performance or satisfaction of all covenants, conditions, duties, obligations, and undertakings is complete, the other party will have the right to invoke any remedy available under this Contract, or under law, notwithstanding such forbearance or indulgence.

8. Obtaining DHCS Approval

Contractor shall obtain written approval from DHCS, as provided in Exhibit E, Attachment 3, Provision 5. DHCS Approval Process, prior to commencement of operation under this Contract.

DHCS reserves the right to review and approve any changes to Contractor's protocols, policies, and procedures as specified in this Contract.

9. Certifications

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- A. Contractor shall certify all data, information, and documentation submitted to DHCS pursuant to 42 CFR 438.604, APL 17-005, and as listed below, in a form and manner specified by DHCS:
- 1) Encounter Data;
 - 2) Data used by the State to certify actuarial soundness of capitation rates;
 - 3) Medical Loss Ratio (MLR) data as set forth in 42 CFR 438.604(a)(3);
 - 4) Provisions against risk of insolvency as set forth in 42 CFR 438.604(a)(4);
 - 5) Documentation described in 42 CFR 438.207(b) used to certify compliance with this Contract's requirements for accessibility and availability of services, including Network adequacy;
 - 6) Contractor's information on ownership and control, including its Subcontractors;
 - 7) The annual report of Overpayment recoveries as required in 42 CFR 438.608(d)(3); and
 - 8) Any other data, documentation, or information requested by DHCS relating to the performance of Contractor's obligations under this Contract.
- B. Certification must comply with the requirements of 42 CFR 438.606 and must attest that, based on Contractor's best information, knowledge, and belief, the data, documentation, and information specified in 42 CFR 438.604 is accurate, complete, and truthful.
- C. In addition to Exhibit C, Provision 11. Certification Clauses, Contractor also agrees to the following:

With respect to any report, invoice, record, papers, documents, books of account, or other Contract required data submitted, pursuant to the requirements of this Contract, the Contractor's Representative or his/her designee will certify, under penalty of perjury, that the report, invoice, record, papers, documents, books of account or other Contract required data is current, accurate, complete and in full compliance with legal and contractual requirements to the best of that individual's knowledge and belief, unless the requirement for such certification is expressly waived by DHCS in writing.

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10. Notices

A. All Notices

All notices to be given under this Contract will be in writing and will be deemed to have been given when mailed to DHCS or the Contractor:

California Department of
Health Care Services
Managed Care Operations Division
Attn: Contracting Officer
MS 4407
P.O. Box 997413
Sacramento, CA 95899-7413



B. Notification of Intent Not to Renew

If Contractor is a Local Initiative, should either DHCS or the Local Initiative elect not to renew this Contract, this decision will be conveyed in writing to the other party at least 12 months prior to the expiration of this Contract.

11. Term

- A.** The Contract will become effective [REDACTED] and will continue in full force and effect through [REDACTED] subject to the provisions of Exhibit B, Provision 1. Budget Contingency Clause, the Centers for Medicare and Medicaid Services waiver approval, and Exhibit D(F), Provision 3. Federal Contract Funds.
- B.** If the Contractor has not already begun Operations, the term of the Contract consists of the following three periods: 1) The Implementation Period; 2) The Operations Period shall commence at the conclusion of the Implementation Period, subject to DHCS acceptance of the Contractor's readiness to begin the Operations Period. The term of the Operations Period is subject to the termination provisions of Provision 14, Termination, and Provision 16, Sanctions, and subject to the limitation provisions of Exhibit B, Provision 1, Budget Contingency Clause; and 3) The Phaseout Period shall extend for six (6) months from the end of the Operations Period, subject to Provision 13, Contract Extension, in which case the Phaseout Period shall apply to the six (6) month period beginning with the first day after the end of the Operations Period, as extended.
- C.** If Contractor has begun Operations as of the effective date of this Contract, the term of the Contract consists of the Operations Period and the Phaseout Period. The Term of the Operations Period is subject to the

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termination provisions of Provision 14, Termination, and Provision 16, Sanctions, below and subject to the limitation provisions of Exhibit B, Provision 1, Budget Contingency Clause. The Phaseout Period shall extend for six (6) months from the end of the Operations Period, subject to Provision 13, Contract Extension, below, in which case the Phaseout Period shall apply to the six (6) month period beginning with the first day after the end of the Operations Period, as extended.

12. Service Area

The Service Area covered under this Contract includes:

 Counties

All Contract provisions apply separately to each Service Area. This Contract may expire for some Service Areas and still remain in effect for others with each Service Area having its own Operations and Phaseout periods.

13. Contract Extension

DHCS will have the exclusive option to extend the term of the Contract for any Service Area during the last twelve (12) months of the Contract, as determined by the original expiration date or by a new expiration date if an extension option has been exercised. DHCS may invoke up to five (5) separate extensions of up to twelve months each. The Contractor will be given at least nine (9) months prior written notice of DHCS' decision on whether or not it will exercise this option to extend the Contract for each Service Area.

Contractor will provide written notification to DHCS of its intent to accept or reject the extension within five (5) working days of the receipt of the notice from DHCS.

14. Termination for Cause and Other Terminations

In addition to Exhibit C, Provision 7. Termination for Cause, Contractor also agrees to the following:

A. Termination - State or Director

DHCS may terminate performance of work under this Contract in whole, or in part, whenever for any reason DHCS determines that the termination is in the best interest of the State.

- 1) Notification shall be given at least six (6) months prior to the effective date of termination, except in cases described below in Paragraph B. Termination for Cause.
- 2) If DHCS awards a new contract for one or more of the Service

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Areas to another Contractor during one of the amendment periods as described above in Provision 13. Contract Extension, DHCS shall provide the Contractor written notification at least six (6) months prior to termination to allow for all Phaseout Requirements to be completed.

B. Termination for Cause

- 1) DHCS shall terminate this Contract pursuant to the provisions of Welfare and Institutions Code, Section 14304(a) and Title 22 CCR Section 53873.
- 2) DHCS shall terminate this Contract in the event that: (1) the Secretary, DHHS, determines that the Contractor does not meet the requirements for participation in the Medicaid program, Title XIX of the Social Security Act (42 USC Section 1396), or (2) the Department of Managed Health Care finds that the Contractor no longer qualifies for licensure under the Knox-Keene Health Care Service Plan Act (Health and Safety Code Sections 1340 et seq.) by giving written notice to the Contractor. The termination will be effectuated consistent with the provisions of Title 22 CCR Section 53873. Notification will be given by DHCS at least 60 calendar days prior to the effective date of termination.
- 3) In cases where the Director determines the health and welfare of Members is jeopardized by continuation of the Contract, the Contract will be immediately terminated. Notification will state the effective date of, and the reason for, the termination.

Except for termination pursuant to Paragraph B, item 3) above, Contractor may dispute the termination decision through the dispute resolution process pursuant to Provision 18, Disputes. Termination of the Contract shall be effective on the last day of the month in which the Secretary, DHHS, or the DMHC makes such determination, provided that DHCS provides Contractor with at least 60 calendar days' notice of termination. The termination of this Contract shall be effective on the last day of the second full month from the date of the notice of termination. Contractor agrees that 60 calendar days' notice is reasonable. Termination under this section does not relieve Contractor of its obligations under Provision 15. Phaseout Requirements below. Phaseout Requirements shall be performed after Contract termination.

C. Termination - Contractor

If mutual agreement between DHCS and Contractor cannot be attained on capitation rates for rate years subsequent to September 30, 2005, Contractor shall retain the right to terminate the Contract, no earlier than

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September 30, 2006, by giving at least six (6) months written notice to DHCS to that effect. The effective date of any termination under this section shall be September 30.

Grounds under which Contractor may terminate this Contract are limited to: (1) Unwillingness to accept the capitation rates determined by DHCS, or if DHCS decides to negotiate rates, failure to reach mutual agreement on rates; or (2) When a change in contractual obligations is created by a State or Federal change in the Medi-Cal program, or a lawsuit, that substantially alters the financial assumptions and conditions under which the Contractor entered into this Contract, such that the Contractor can demonstrate to the satisfaction of DHCS that it cannot remain financially solvent through the term of the Contract.

If Contractor invokes ground number 2, Contractor shall submit a detailed written financial analysis to DHCS supporting its conclusions that it cannot remain financially solvent. At the request of DHCS, Contractor shall submit or otherwise make conveniently available to DHCS, all of Contractor's financial work papers, financial reports, financial books and other records, bank statements, computer records, and any other information required by DHCS to evaluate Contractor's financial analysis.

DHCS and Contractor may negotiate an earlier termination date if Contractor can demonstrate to the satisfaction of DHCS that it cannot remain financially solvent until the termination date that would otherwise be established under this section. Termination under these circumstances shall not relieve Contractor from performing the Phaseout Requirements described in Provision 15 below.

D. Termination of Obligations

All obligations to provide Covered Services under this Contract or Contract extension will automatically terminate on the date the Operations Period ends.

E. Notice to Members of Transfer of Care

At least 60 calendar days prior to the termination of the Contract, DHCS will notify Members about their medical benefits and available options.

15. Phaseout Requirements

- A. DHCS shall retain the lesser of an amount equal to 10% of the last month's Service Area Capitation Payment or one million dollars (\$1,000,000) for each Service Area unless provided otherwise by the Financial Performance Guarantee, from the Capitation Payment of the last

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month of the Operations Period for each Service Area until all activities required during the Phaseout Period for each Service Area are fully completed to the satisfaction of DHCS, in its sole discretion.

If all Phaseout activities for each Service Area are completed by the end of the Phaseout Period, the withhold will be paid to the Contractor. If the Contractor fails to meet any requirement(s) by the end of the Phaseout Period for each Service Area, DHCS will deduct the costs of the remaining activities from the withhold amount and continue to withhold payment until all activities are completed.

- B. The objective of the Phaseout Period is to ensure that, at the termination of this Contract, the orderly transfer of necessary data and history records is made from the Contractor to DHCS or to a successor Contractor. The Contractor shall not provide services to Members during the Phaseout Period.

90 calendar days prior to termination or expiration of this Contract and through the Phaseout Period for each Service Area, the Contractor shall assist DHCS in the transition of Members and in ensuring, to the extent possible, continuity of Member-Provider relationships. In doing this, the Contractor will make available to DHCS copies of Medical Records, patient files, and any other pertinent information, including information maintained by any Subcontractor, necessary for efficient case management of Members, as determined by the Director. In no circumstances will a Medi-Cal Member be billed for this activity.

- C. Phaseout for this Contract will consist of the processing, payment and monetary reconciliation(s) necessary regarding claims for payment for Covered Services.

Phaseout for this Contract will consist of the completion of all financial and reporting obligations of the Contractor. The Contractor will remain liable for the processing and payment of invoices and other claims for payment for Covered Services and other services provided to Members pursuant to this Contract prior to the expiration or termination. The Contractor will submit to DHCS all reports required in Exhibit A, Attachment 17, Reporting Requirements, for the period from the last submitted report through the expiration or termination date.

All data and information provided by the Contractor will be accompanied by letter, signed by the responsible authority, certifying, under penalty of perjury, to the accuracy and completeness of the materials supplied.

- D. Phaseout Period will commence on the date the Operations Period of the Contract or Contract extension ends. Phaseout related activities are non-payable items.

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16. Sanctions

Contractor is subject to sanctions and civil penalties taken pursuant to Welfare and Institutions Code Section 14304 and Title 22 of the California Code of Regulations, Section 53872, however, such sanctions and civil penalties may not exceed the amounts allowable under 42 CFR, 438.704 and as stated in APL 18-003. If required by DHCS, Contractor shall ensure Subcontractors cease specified activities which may include, but are not limited to, referrals, assignment of Members, and reporting, until DHCS determines that Contractor is again in compliance.

- A. In the event DHCS finds Contractor non-compliant with any provisions of this Contract, applicable statutes or regulations, DHCS may impose sanctions provided in Welfare and Institutions Code, Section 14304 and Title 22 CCR Section 53872 as modified for purposes of this Contract. Title 22 CCR Section 53872 is so modified as follows:
 - 1) Subsection (b)(1) is modified by replacing "Article 2" with "Article 6"
 - 2) Subsection (b)(2) is modified by replacing "Article 3" with "Article 7"
- B. The requirements of Exhibit A, Attachment 4, regarding QIS are all Contract provisions which are not specifically governed by Chapter 4.1 (commencing with Section 53800) of Division 3 of Title 22, CCR. Therefore, sanctions for violations of the requirements of Exhibit A, Attachment 4, regarding QIS shall be governed by Subsection 53872 (b)(4).
- C. For purposes of Sanctions, good cause includes, but is not limited to, the following:
 - 1) Three (3) repeated and uncorrected findings of serious deficiencies that have the potential to endanger patient care identified in the medical audits conducted by DHCS.
 - 2) In the case of Exhibit A, Attachment 4 Quality Improvement System, the Contractor consistently fails to achieve the minimum performance levels, or receives a "Not Reported" designation on an External Accountability Set measure, after implementation of Corrective Actions.
 - 3) A substantial failure to provide Medically Necessary services required under this Contract or law to a Member.
 - 4) Non-compliance with the Contract or applicable federal and State law or regulation.

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- 5) Contractor has accrued claims that have not or will not be recompensed.
- D. Sanctions in the form of denial of payments provided for under this Contract for new Members shall be taken, when and for as long as, payment for those Members is denied by the CMS under 42 CFR Section 438.730.
- E. The Director shall have the power and authority to take one or more of the following sanctions against Contractor for noncompliance:
 - 1) Appointment of temporary management if Contractor has repeatedly failed to meet the contractual requirements or applicable Federal and State law or regulation. Contractor cannot delay appointment of temporary management to provide a hearing before appointment. Temporary management will not be terminated until DHCS determines that Contractor's sanctioned behavior will not recur.
 - 2) Suspension of all new enrollment, including default enrollment, or marketing activities after the effective date of the sanction;
 - 3) Require Contractor to temporarily suspend or terminate personnel or Subcontractors.
 - 4) Take other appropriate action as determined necessary by DHCS.

17. Liquidated Damages

A. General

The Director shall have the authority to impose liquidated damages on Contractor for failure to comply with the terms of this Contract as well as all applicable Federal and State law or regulation. Therefore, it is agreed by the State and Contractor that:

- 1) If Contractor does not provide or perform the requirements of this Contract or applicable laws and regulations, damage to the State shall result,
 - a) Proving such damages shall be costly, difficult, and time-consuming,
 - b) Should the State choose to impose liquidated damages, Contractor shall pay the State those damages for not providing or performing the specified requirements,

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- c) Additional damages may occur in specified areas by prolonged periods in which Contractor does not provide or perform requirements,
 - d) The damage figures listed below represent a good faith effort to quantify the range of harm that could reasonably be anticipated at the time of the making of the Contract,
 - e) DHCS may, at its discretion, offset liquidated damages from Capitation Payment owed to Contractor;
- 2) Imposition of liquidated damages as specified in Paragraphs B, Liquidated Damages for Violation of Contract Terms Regarding the Implementation Period, and C, Liquidated Damages for Violation of Contract Terms or Regulations Regarding the Operations Period below shall follow the administrative processes described below.
- 3) Before imposing sanctions, DHCS shall provide Contractor with written notice specifying the nature of the sanctions and the Contractor requirement(s), contained in the Contract or as required by Federal and State law or regulation, not provided or performed,
- 4) During the Implementation Period, Contractor shall submit or complete the outstanding requirement(s) specified in the written notice within five (5) working days from the date of the notice, unless, subject to the Contracting Officer's written approval, Contractor submits a written request for an extension. The request must include the following: the requirement(s) requiring an extension; the reason for the delay and the proposed date of the submission of the requirement.
- 5) During the Implementation Period, if Contractor has not performed or completed an Implementation Period requirement or secured an extension for the submission of the outstanding requirement, DHCS may impose liquidated damages for the amount specified in Paragraph B. Liquidated Damages for Violation of Contract Terms Regarding the Implementation Period, below.
- 6) During the Operations Period, Contractor shall demonstrate the provision or performance of Contractor's requirement(s) specified in the written notice within a 30 calendar day Corrective Action period from the date of the notice, unless a request for an extension is submitted to the Contracting Officer, subject to DHCS' approval, within five (5) calendar days from the end of the Corrective Action period. If Contractor has not demonstrated the provision or performance of Contractor's requirement(s) specified in the written

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notice during the Corrective Action period, DHCS may impose liquidated damages for each day the specified Contractor's requirement is not performed or provided for the amount specified in Paragraph C. Liquidated Damages for Violation of Contract Terms or Regulations Regarding the Operations Period, below.

- 7) During the Operations Period, if Contractor has not performed or provided Contractor's requirement(s) specified in the written notice or secured the written approval for an extension, after 30 calendar days from the first day of the imposition of liquidated damages, DHCS shall notify Contractor in writing of the increase of the liquidated damages to the amount specified in Paragraph C. Liquidated Damages for Violation of Contract Terms or Regulations Regarding the Operations Period.

Nothing in this provision shall be construed as relieving Contractor from performing any other Contract duty not listed herein, nor is the State's right to enforce or to seek other remedies for failure to perform any other Contract duty hereby diminished.

- B. Liquidated Damages for Violation of Contract Terms Regarding the Implementation Period, below.

DHCS may impose liquidated damages of \$25,000 per requirement specified in the written notice for each day of the delay in completion or submission of Implementation Period requirements beyond the Implementation Period as specified in Provision 11. Term, above.

If DHCS determines that a delay or other non-performance was caused in part by the State, DHCS will reduce the liquidated damages proportionately.

- C. Liquidated Damages for Violation of Contract Terms or Regulations Regarding the Operations Period shall at a minimum include:

- 1) DHCS may impose liquidated damages of \$2,500 per day for each violation of Contract requirement not performed in accordance with Exhibit A, Attachment 4, Quality Improvement System, provision 10. Site Review, Paragraph D. Corrective Actions, until Contract requirement is performed or provided.
- 2) DHCS may impose liquidated damages of \$3,500 per instance or case, per Medi-Cal Member if a Contractor fails to deliver the requested information in accordance with Provision 23 Third-Party Tort Liability.
- 3) DHCS may impose liquidated damages of \$3,500 per violation of

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Contract requirement not performed in accordance with Exhibit A, Attachment 6, Provider Network, Provision 9. Plan Physician Availability.

- 4) DHCS may impose liquidated damages not to exceed \$10,000 per violation of this Contract's requirements, as well Federal and State law or regulation.

D. Conditions for Termination of Liquidated Damages

Except as waived by the Contracting Officer, no liquidated damages imposed on the Contractor will be terminated or suspended until the Contractor issues a written notice of correction to the Contracting Officer certifying, under penalty of perjury, the correction of condition(s) for which liquidated damages were imposed. Liquidated damages will cease on the day of the Contractor's certification only if subsequent verification of the correction by DHCS establishes that the correction has been made in the manner and at the time certified to by the Contractor.

The Contracting Officer will determine whether the necessary level of documentation has been submitted to verify corrections. The Contracting Officer will be the sole judge of the sufficiency and accuracy of any documentation. Corrections must be sustained for a reasonable period of at least 90 calendar days from DHCS acceptance; otherwise, liquidated damages may be reimposed without a succeeding grace period within which to correct. The Contractor's use of resources to correct deficiencies will not be allowed to cause other Contract compliance problems.

E. Severability of Individual Liquidated Damages Clauses

If any portion of these liquidated damages provisions is determined to be unenforceable, the other portions will remain in full force and effect.

18. Disputes

In addition to Exhibit C, Provision 6. Disputes, Contractor also agrees to the following:

This Disputes section will be used by the Contractor as the means of seeking resolution of disputes on contractual issues.

Filing a dispute will not preclude DHCS from recouping the value of the amount in dispute from Contractor or from offsetting this amount from subsequent Capitation Payment(s). If the amount to be recouped exceeds 25 percent of the Capitation Payment, amounts of up to 25 percent will be withheld from

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successive Capitation Payment until the amount in dispute is fully recouped.

A. Disputes Resolution by Negotiation

DHCS and Contractor agree to try to resolve all contractual issues by negotiation and mutual agreement at the Contracting Officer level without litigation. The parties recognize that the implementation of this policy depends on open-mindedness, and the need for both sides to present adequate supporting information on matters in question.

B. Notification of Dispute

Within 15 calendar days of the date the dispute concerning performance of this Contract arises or otherwise becomes known to the Contractor, the Contractor will notify the Contracting Officer in writing of the dispute, describing the conduct (including actions, inactions, and written or oral communications) which it is disputing.

The Contractor's notification will state, on the basis of the most accurate information then available to the Contractor, the following:

- 1) That it is a dispute pursuant to this section.
- 2) The date, nature, and circumstances of the conduct which is subject of the dispute.
- 3) The names, phone numbers, function, and activity of each Contractor, Subcontractor, DHCS/State official or employee involved in or knowledgeable about the conduct.
- 4) The identification of any documents and the substances of any oral communications involved in the conduct. Copies of all identified documents will be attached.
- 5) The reason the Contractor is disputing the conduct.
- 6) The cost impact to the Contractor directly attributable to the alleged conduct, if any.
- 7) The Contractor's desired remedy.

The required documentation, including cost impact data, will be carefully prepared and submitted with substantiating documentation by the Contractor. This documentation will serve as the basis for any subsequent appeal.

Following submission of the required notification, with supporting

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documentation, the Contractor will comply with the requirements of Title 22 CCR Section 53851(d) and diligently continue performance of this Contract, including matters identified in the Notification of Dispute, to the maximum extent possible

C. Contracting Officer's or Alternate Dispute Officer's Decision

Pursuant to a request by Contractor, the Contracting Officer may provide for a dispute to be decided by an alternate dispute officer designated by DHCS, who is not the Contracting Officer and is not directly involved in the Medi-Cal Managed Care Program. Any disputes concerning performance of this Contract shall be decided by the Contracting Officer or the alternate dispute officer in a written decision stating the factual basis for the decision. Within 30 calendar days of receipt of a Notification of Dispute, the Contracting Officer or the alternate dispute officer, shall either:

- 1) Find in favor of Contractor, in which case the Contracting Officer or alternate dispute officer may:
 - a) Countermand the earlier conduct which caused Contractor to file a dispute; or
 - b) Reaffirm the conduct and, if there is a cost impact sufficient to constitute a change in obligations pursuant to the payment provisions contained in Exhibit B Budget Detail and Payment Provisions, direct DHCS to comply with that Exhibit.

Or,

- 2) Deny Contractor's dispute and, where necessary, direct the manner of future performance; or
- 3) Request additional substantiating documentation in the event the information in Contractor's notification is inadequate to permit a decision to be made under 1) or 2) above, and shall advise Contractor as to what additional information is required, and establish how that information shall be furnished. Contractor shall have 30 calendar days to respond to the Contracting Officer's or alternate dispute officer's request for further information. Upon receipt of this additional requested information, the Contracting Officer or alternate dispute officer shall have 30 calendar days to respond with a decision. Failure to supply additional information required by the Contracting Officer or alternate dispute officer within the time period specified above shall constitute waiver by Contractor of all claims in accordance with Paragraph F. Waiver of Claims, below.

A copy of the decision shall be served on Contractor.

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D. Appeal of Contracting Officer's or Alternate Dispute Officer's Decision

Contractor shall have 30 calendar days following the receipt of the decision to file an appeal of the decision to the Director. All appeals shall be governed by Health and Safety Code Section 100171, except for those provisions of Section 100171(d)(1) relating to accusations, statements of issues, statement to respondent, and notice of defense. All appeals shall be in writing and shall be filed with DHCS' Office of Administrative Hearings and Appeals. An appeal shall be deemed filed on the date it is received by the Office of Administrative Hearings and Appeals. An appeal shall specifically set forth each issue in dispute, and include Contractor's contentions as to those issues. However, Contractor's appeal shall be limited to those issues raised in its Notification of Dispute filed pursuant to Paragraph B. Notification of Dispute above. Failure to timely appeal the decision shall constitute a waiver by Contractor of all claims arising out of that conduct, in accordance with Paragraph F, Waiver of Claims below, Contractor shall exhaust all procedures provided for in this Provision 18, Disputes, prior to initiating any other action to enforce this Contract.

E. Contractor Duty to Perform

Pending final determination of any dispute hereunder, Contractor shall comply with the requirements of Title 22 CCR Section 53851 (d) and proceed diligently with the performance of this Contract and in accordance with the Contracting Officer's or alternate dispute officer's decision.

If pursuant to an appeal under Paragraph D, Appeal of Contracting Officer's or Alternate Dispute Officer's Decision above, the Contracting Officer's or alternate dispute officer's decision is reversed, the effect of the decision pursuant to Paragraph D. shall be retroactive to the date of the Contracting Officer's or alternative dispute resolution decision, and Contractor shall promptly receive any benefits of such decision. DHCS shall not pay interest on any amounts paid pursuant to a Contracting Officer's or alternative dispute resolution decision or any appeal of such decision.

F. Waiver of Claims

If Contractor fails to submit a Notification of Dispute, supporting and substantiating documentation, any additionally required information, or an appeal of the Contracting Officer's or alternate dispute officer's decision, in the manner and within the time specified in this Provision 18, Disputes, that failure shall constitute a waiver by Contractor of all claims arising out of that conduct, whether direct or consequential in nature.

19. Audit

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In addition to Exhibit C, Provision 4, Audit, Contractor also agrees to the following:

Pursuant to 42 CFR 438.3(h), DHCS, CMS, the DHHS Office of the Inspector General, the Comptroller General, and their designees may, at any time, inspect and audit any of Contractor's, or its Subcontractors, records or documents and may, at any time, inspect the premises, physical facilities, and equipment where Medi-Cal-related activities or work is conducted. The right to audit under this Section exists for 10 years from the final date of the Contract period or from the date of completion of any audit, whichever is later.

The Contractor will maintain such records and documents necessary to disclose how the Contractor discharged its obligations under this Contract. These records and documents will disclose the quantity of Covered Services provided under this Contract, the quality of those services, the manner and amount of payment made for those services, the persons eligible to receive Covered Services, the manner in which the Contractor administered its daily business, and the cost thereof.

A. Records and Documents

These records and documents will include, but are not limited to, all physical books or records originated or prepared pursuant to the performance under this Contract including working papers; reports submitted to DHCS; financial records; all medical records, medical charts and prescription files; and other documentation pertaining to medical and non-medical services rendered to Members.

B. Records Retention

Notwithstanding any other records retention time period set forth in this Contract, Contractor and all of its Subcontractors shall maintain all of these records and documents for a minimum of ten (10) years from the final date of the Contract period or from the date of completion of any audit, whichever is later

C. Additional Recordkeeping Requirements

- 1) In accordance with 42 CFR 438.3(u), Contractor shall retain the following information for no less than 10 years:
 - a) Member Grievance and Appeal records as required in 42 CFR 438.416;
 - b) Base data as defined in 42 CFR 438.5(c);
 - c) MLR reports as required in 42 CFR 438.8(k); and

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- d) Data, information, and documentation specified in 42 CFR 438.604, 606, 608, and 610.
- 2) Contractor shall also require Subcontractors to be compliant, as applicable, with 42 CFR 438.3(u).

20. Inspection Rights

In addition to Exhibit D(F), Provision 2, Site Inspection, Contractor also agrees to the following:

Through the end of the records retention period specified in Provision 19, Audit, Paragraph B, Records Retention above, Contractor shall allow the DHCS, the DHHS Office of the Inspector General, the Comptroller General of the United States, the DOJ Bureau of Medi-Cal Fraud, DMHC, and other authorized State agencies, or their duly authorized representatives or designees, including DHCS' EQRO contractor, to audit, inspect, monitor or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Contract, and to inspect, evaluate, and audit any and all premises, books, records, equipment, facilities, contracts, computers, or other electronic systems maintained by Contractor and Subcontractors pertaining to these services at any time, pursuant to 42 CFR 438.3(h).

Records and documents include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Contract, including working papers, reports, financial records, and books of account, medical records, prescription files, laboratory results, Subcontracts, information systems and procedures, and any other documentation pertaining to medical and non-medical services rendered to Members. Upon request, through the end of the records retention period specified in Provision 19, Audit, Paragraph B, Records Retention above, Contractor shall furnish any record, or copy of it, to DHCS or any other entity listed in this section, at Contractor's sole expense.

If DHCS, CMS, or the DHHS Inspector General determines that there is a reasonable possibility of fraud or similar risk, DHCS, CMS, or the DHHS Inspector General may inspect, evaluate, and audit a Subcontractor at any time.

A. Facility Inspections

DHCS shall conduct unannounced validation reviews on a number of the Contractor's primary care sites, selected at DHCS' discretion, to verify compliance of these sites with DHCS requirements.

B. Access Requirements and State's Right to Monitor

Authorized State and federal agencies will have the right to monitor all

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aspects of the Contractor's operation for compliance with the provisions of this Contract and applicable Federal and State laws and regulations. Such monitoring activities will include, but are not limited to, inspection and auditing of Contractor, Subcontractor, and Provider facilities, management systems and procedures, and books and records as the Director deems appropriate, at any time, pursuant to 42 CFR 438.3(h). The monitoring activities will be either announced or unannounced.

To assure compliance with the Contract and for any other reasonable purpose, the State and its authorized representatives and designees will have the right to premises access, with or without notice to the Contractor. This will include the MIS operations site or such other place where duties under the Contract are being performed.

Staff designated by authorized State agencies will have access to all security areas and the Contractor will provide, and will require any and all of its Subcontractors to provide, reasonable facilities, cooperation and assistance to State representative(s) in the performance of their duties. Access will be undertaken in such a manner as to not unduly delay the work of the Contractor and/or the Subcontractor(s).

21. Confidentiality of Information

In addition to Exhibit D(F), Provision 4, Confidentiality of Information, Contractor also agrees to the following duties and responsibilities with respect to confidentiality of information and data:

- A. Notwithstanding any other provision of this Contract, names of persons receiving public social services are confidential and are to be protected from unauthorized disclosure in accordance with 42 CFR Section 431.300 et seq., Section 14100.2, W&I Code, and regulations adopted thereunder. For the purpose of this Contract, all information, records, data, and data elements collected and maintained for the operation of the Contract and pertaining to Members shall be protected by the Contractor from unauthorized disclosure.

Contractor may release medical records in accordance with applicable law pertaining to the release of this type of information. Contractor is not required to report requests for Medical Records made in accordance with applicable law.

- B. With respect to any identifiable information concerning a Member under this Contract that is obtained by the Contractor or its Subcontractors, the Contractor: (1) will not use any such information for any purpose other than carrying out the express terms of this Contract, (2) will promptly transmit to DHCS all requests for disclosure of such information, except requests for Medical records in accordance with applicable law, (3) will not

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disclose except as otherwise specifically permitted by this Contract, any such information to any party other than DHCS without DHCS' prior written authorization specifying that the information is releasable under Title 42, CFR, Section 431.300 et seq., Section 14100.2, W & I Code, and regulations adopted thereunder, and (4) will, at the termination of this Contract, return all such information to DHCS or maintain such information according to written procedures sent to the Contractor by DHCS for this purpose.

22. Pilot Projects

DHCS may establish pilot projects to test alternative managed care models tailored to suit the needs of populations with special health care needs. The operation of these pilot projects may result in the disenrollment of Members that participate. Implementation of a pilot project may affect the Contractor's obligations under this Contract. Any changes in the obligations of the Contractor that are necessary for the operation of a pilot project in the Contractor's Service Area will be implemented through a contract amendment.

23. Cost Avoidance and Post-Payment Recovery of Other Health Coverage Sources (OHCS)

- A. Contractor shall Cost Avoid or make a Post-Payment Recovery for the reasonable value of services paid for by Contractor and rendered to a Member whenever a Member's OHCS covers the same services, either fully or partially. However, in no event shall Contractor Cost Avoid or seek Post-Payment Recovery for the reasonable value of services from a Third-Party Tort Liability (TPTL) action or make a claim against the estates of deceased Members.
- B. Contractor retains all monies recovered by Contractor.
- C. Contractor shall coordinate benefits with other coverage programs or entitlements, recognizing the OHCS as primary and the Medi-Cal program as the payor of last resort.
- D. Cost Avoidance
 - 1) If Contractor reimburses the Provider on a FFS basis, Contractor shall not pay claims for services provided to a Member whose Medi-Cal eligibility record indicates third party coverage, designated by an OHC code or Medicare coverage, without proof that the Provider has first exhausted all sources of other payments. Contractor shall have written procedures implementing this requirement.
 - 2) Proof of third party billing is not required prior to payment for

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services provided to Members with OHC codes A or N.

E. Post-Payment Recovery

- 1) If Contractor reimburses the Provider on a FFS basis, Contractor shall pay the Provider's claim and then seek to recover the cost of the claim by billing the liable third parties:
 - a) For services provided to Members with OHC code A;
 - b) For services defined by DHCS as prenatal or preventive pediatric services; or
 - c) In child-support enforcement cases, identifiable by Contractor. If Contractor does not have access to sufficient information to determine whether or not the OHC coverage is the result of a child enforcement case, Contractor shall follow the procedures for Cost Avoidance.
- 2) In instances where Contractor does not reimburse the Provider on a FFS basis, Contractor shall pay for services provided to a Member whose eligibility record indicates third party coverage, designated by an OHC code or Medicare coverage, and then shall bill the liable third parties for the cost of actual services rendered.
- 3) Contractor shall also bill the liable third parties for the cost of services provided to Members who are retroactively identified by Contractor or DHCS as having OHC.
- 4) Contractor shall have written procedures implementing the above requirements.

F. Reporting Requirements

- 1) Contractor shall maintain reports that display claims counts and dollar amounts of costs avoided and the amount of Post-Payment Recoveries, by aid category, as well as the amount of outstanding recovery claims (accounts receivable) by age of account. The report shall display separate claim counts and dollar amounts for Medicare Part A, Part B, and Part D. Reports shall be made available upon DHCS request.
- 2) When Contractor identifies OHC unknown to DHCS, Contractor shall report this information to DHCS within ten (10) calendar days of discovery in automated format as prescribed by DHCS. This information shall be sent to the California Department of Health Care Services, Third Party Liability Branch, Other Coverage Unit,

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P.O. Box 997422, Sacramento, CA 95899-7422.

- 3) Contractor shall demonstrate to DHCS that where Contractor does not Cost Avoid or perform Post-Payment Recovery that the aggregate cost of this activity exceeds the total revenues Contractor projects it would receive from such activity

24. Third-Party Tort Liability

Contractor shall identify and notify DHCS' Third Party Liability Branch of all instances or cases in which Contractor believes an action by the Medi-Cal Member involving casualty insurance or tort or Workers' Compensation liability of a third party could result in recovery by the Member of funds to which DHCS has lien rights under Article 3.5 (commencing with Section 14124.70), Part 3, Division 9, Welfare and Institutions Code. Contractor shall make no claim for recovery of the value of Covered Services rendered to a Member in such cases or instances and such case or instance shall be referred to DHCS' Third Party Liability Branch within ten (10) calendar days of discovery. To assist DHCS in exercising its responsibility for such recoveries, Contractor shall meet the following requirements:

- A. If DHCS requests service information and/or copies of paid invoices/claims for Covered Services to an individual Member, Contractor shall deliver the requested information within 30 calendar days of the request. Service information includes Subcontractor and Out-of-Network Provider data. The value of the Covered Services shall be calculated as the usual, customary and reasonable charge made to the general public for similar services or the amount paid to subcontracted Providers or Out-of-Network Providers for similar services.
- B. Information to be delivered shall contain the following data items:
 - 1) Member name.
 - 2) Full 14 digit Medi-Cal number.
 - 3) Social Security Number.
 - 4) Date of birth.
 - 5) Contractor name.
 - 6) Provider name (if different from Contractor).
 - 7) Dates of service.
 - 8) Diagnosis code and description of illness/injury.

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- 9) Procedure code and/or description of services rendered.
- 10) Amount billed by a Subcontractor or Out-of-Network Provider to Contractor (if applicable).
- 11) Amount paid by other health insurance to Contractor or Subcontractor (if applicable).
- 12) Amounts and dates of claims paid by Contractor to Subcontractor or Out-of-Network Provider (if applicable).
- 13) Date of denial and reasons for denial of claims (if applicable).
- 14) Date of death (if applicable).
- C. Contractor shall identify to DHCS' Third Party Liability Branch the name, address and telephone number of the person responsible for receiving and complying with requests for mandatory and/or optional at-risk service information.
- D. If Contractor receives any requests from attorneys, insurers, or beneficiaries for copies of bills, Contractor shall refer the request to the Third Party Liability Branch with the information contained in Paragraph B above, and shall provide the name, address and telephone number of the requesting party.
- E. Information submitted to DHCS under this section shall be sent to the California Department of Health Care Services, Third Party Liability Branch, Recovery Section, MS 4720, P.O. Box 997425, Sacramento, CA 95899-7425.

25. Records Related To Recovery for Litigation

A. Records

Upon request by DHCS, Contractor shall timely gather, preserve and provide to DHCS, in the form and manner specified by DHCS, any information specified by DHCS, subject to any lawful privileges, in Contractor's or its Subcontractors' possession, relating to threatened or pending litigation by or against DHCS. (If Contractor asserts that any requested documents are covered by a privilege, Contractor shall: 1) identify such privileged documents with sufficient particularity to reasonably identify the document while retaining the privilege; and 2) state the privilege being claimed that supports withholding production of the document.) Such request shall include, but is not limited to, a response to a request for documents submitted by any party in any litigation by or

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against DHCS. Contractor acknowledges that time may be of the essence in responding to such request. Contractor shall use all reasonable efforts to immediately notify DHCS of any subpoenas, document production requests, or requests for records, received by Contractor or its Subcontractors related to this Contract or Subcontracts entered into under this Contract.

B. Payment for Records

In addition to the payments provided for in Exhibit B, Budget Detail and Payment Provisions, DHCS agrees to pay Contractor for complying with Paragraph A, Records, above, as follows:

- 1) DHCS shall reimburse Contractor amounts paid by Contractor to third parties for services necessary to comply with Paragraph A. Any third party assisting Contractor with compliance with Paragraph A above, shall comply with all applicable confidentiality requirements. Amounts paid by Contractor to any third party for assisting Contractor in complying with Paragraph A, shall not exceed normal and customary charges for similar services and such charges and supporting documentation shall be subject to review by DHCS.
- 2) If Contractor uses existing personnel and resources to comply with Paragraph A, DHCS shall reimburse Contractor as specified below. Contractor shall maintain and provide to DHCS time reports supporting the time spent by each employee as a condition of reimbursement. Reimbursement claims and supporting documentation shall be subject to review by DHCS.
 - a) Compensation and payroll taxes and benefits, on a prorated basis, for the employees' time devoted directly to compiling information pursuant to Paragraph A.
 - b) Costs for copies of all documentation submitted to DHCS pursuant to Paragraph A, subject to a maximum reimbursement of ten (10) cents per copied page.
- 3) Contractor shall submit to DHCS all information needed by DHCS to determine reimbursement to Contractor under this provision, including, but not limited to, copies of invoices from third parties and payroll records.

26. Fraud and Abuse Reporting

- A. For purposes of this Exhibit, the following definitions apply:

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Abuse means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in unnecessary cost to the Medicaid program (42 CFR 455.2 and as further defined in W. & I. Code Section 14043.1(a).)

Conviction or Convicted means that a judgment of conviction has been entered by a federal, State, or local court, regardless of whether an appeal from that judgment is pending (42 CFR 455.2). This definition also includes the definition of the term “convicted” in W & I Code Section 14043.1(f).

Fraud means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable federal or State law (42 CFR 455.2; W. & I. Code Section 14043.1(i).)

Waste means the overutilization or inappropriate utilization of services and misuse of resources, and typically is not a criminal or intentional act, as stated in CMS’ Fraud, Waste, and Abuse Toolkit.

- B. Contractor shall meet the requirements set forth in 42 CFR 438.608 by establishing administrative and management arrangements or procedures, as well as a mandatory compliance plan, which are designed to guard against fraud and abuse. These requirements shall be met through the following:
- 1) Contractor and its Subcontractor, to the extent that its Subcontractor is delegated responsibility by Contractor for coverage of services and payment of claims under this Contract, shall implement and maintain procedures that are designed to detect and prevent Fraud, Waste, and Abuse. The procedures must include a compliance program, as set forth in 42 CFR 438.608(a), that at a minimum includes all of the following elements:
 - a) Written policies and procedures that articulate a commitment to comply with all applicable requirements and standards under this Contract, and all applicable federal and State requirements.
 - b) The designation of a Compliance Officer who is responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements of this Contract, and who reports directly to the

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Chief Executive Officer and the Board of Directors.

- c) The establishment of a Regulatory Compliance Committee on the Board of Directors and at the senior management level charged with overseeing the compliance program and compliance with the requirements under this Contract.
 - d) A system for training and educating the Compliance Officer, senior management, and employees on federal and State standards and requirements of this Contract.
 - e) Effective lines of communication between the Compliance Officer and employees.
 - f) Enforcement of standards through well-publicized disciplinary guidelines.
 - g) Establishment and implementation of a system with dedicated staff for: routine internal monitoring and auditing of compliance risks; promptly responding to compliance issues as they are raised; investigation of potential compliance problems as identified in the course of self-evaluation and audits; correction of such problems promptly and thoroughly, or coordination of suspected criminal acts with law enforcement agencies to reduce the potential for recurrence; and ongoing compliance with the requirements under this Contract.
- 2) Prompt reporting to DHCS of all Overpayments identified or recovered, specifying which Overpayments are due to potential fraud.
 - 3) Prompt notification to DHCS when Contractor receives information about changes in a Member's circumstances that may affect the Member's eligibility including the following:
 - a) Changes in the Member's residence;
 - b) Changes in the Member's income; and
 - c) The death of a Member.
 - 4) Prompt notification to DHCS when Contractor receives information about a change in a Network Provider's circumstances that may affect the Network Provider's eligibility to participate in the Medi-Cal managed care program, including the termination of their Provider agreement with Contractor.

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- 5) Provision for a method to verify, by sampling or other methods, whether services that have been represented to have been delivered by Network Providers were received by Members, and the application of this verification processes on a regular basis.
- 6) When Contractor makes or receives annual payments under this Contract of at least \$5,000,000, provide written policies for all of its employees, and for any Subcontractor or agent, that provides detailed information about the False Claims Act and other federal and State laws described in Section 1902(a)(68) of the Act, including information about rights of employees to be protected as whistleblowers.
- 7) Fraud and Abuse Reporting

Prompt referral of any potential Fraud, Waste, or Abuse that Contractor identifies to the DHCS Audits and Investigations Intake Unit. Contractor shall conduct, complete, and report to DHCS, the results of a preliminary investigation of the suspected fraud and/or abuse within 10 working days of the date Contractor first becomes aware of, or is on notice of, such activity.

Fraud reports submitted to DHCS must, at a minimum, include:

- a) Number of complaints of fraud and abuse submitted that warranted preliminary investigation.
- b) For each complaint which warranted a preliminary investigations, supply:
 - i. Name and/or SSN or CIN;
 - ii. Source of complaint;
 - iii. Type of Provider (if applicable);
 - iv. Nature of complaint;
 - v. Approximate dollars involved; and
 - vi. Legal and administrative disposition of the case.

The report shall be submitted on a Confidential Medi-Cal Complaint Report (MC 609) that can be sent to DHCS in one of three ways:

- a) Email at PIUCases@DHCS.ca.gov;

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b) E-fax at (916) 440-5287; or

c) U.S. Mail at:

Department of Health Care Services
Audits & Investigations Division
Attention: Chief, Intake Unit
1500 Capitol Avenue
MS 2500
Sacramento, CA 95814

Contractor shall submit the following components with the report or explain why the components are not submitted with the report: police report, health plan's documentation (background information, investigation report, interviews, and any additional investigative information), Member information (patient history chart, Patient profile, Claims detail report), Provider enrollment data, Confirmation of services, list items or services furnished by the Provider, Pharmaceutical data from manufacturers, wholesalers and retailers and any other pertinent information.

8) Tracking Suspended Providers

Contractor shall comply with 42 CFR 438.608(a)(8) and 438.610. Additionally, Contractor is prohibited from employing, paying, contracting or maintaining a contract with physicians or other health care providers that are excluded, suspended or terminated from participation in the Medicare or Medi-Cal/Medicaid programs. A list of suspended and ineligible providers is maintained in the Medi-Cal Provider Manual, which is updated monthly and available on line and in print at the DHCS Medi-Cal Web site (<http://www.medi-cal.ca.gov>) and by the Department of Health and Human Services, Office of Inspector General, List of Excluded Individuals and Entities (<http://oig.hhs.gov>). Contractor is deemed to have knowledge of any providers on these lists. Contractor must notify the Medi-Cal Managed Care Program/Program Integrity Unit within 10 State working days of removing a suspended, excluded, or terminated provider from its Provider Network and confirm that the provider is no longer receiving payments in connection with the Medicaid program. A removed, suspended, excluded, or terminated provider report can be sent to DHCS in one of three ways:

a) Email at PIUCases@DHCS.ca.gov;

b) E-fax at (916) 440-5287; or

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c) U.S. Mail at:

Department of Health Care Services
Managed Care Operations Division
Attention: Chief, Program Integrity Unit
MS 4417
P.O. Box 997413
Sacramento, CA 95899-7413

C. Federal False Claim Act Compliance

Contractor shall comply with 42 USC Section 1396a(a)(68), Employee Education About False Claims Recovery, as a condition of receiving payments under this Contract. Upon request by DHCS, Contractor shall demonstrate compliance with this Provision, which may include providing DHCS with copies of Contractor's applicable written policies and procedures and any relevant employee handbook excerpts.

27. Equal Opportunity Employer

Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that it is an equal opportunity employer, and will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by DHCS, advising the labor union or workers' representative of the Contractor's commitment as an equal opportunity employer and will post copies of the notice in conspicuous places available to employees and applicants for employment.

28. Discrimination Prohibitions

A. Member Discrimination Prohibition

Contractor shall not discriminate against Members or Eligible Beneficiaries because of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56, in accordance with Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, rules and regulations promulgated pursuant thereto, or as otherwise provided by law or regulations. For the purpose of this Contract, discriminations on the grounds of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56 include, but are not limited to, the following:

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- 1) Denying any Member any Covered Services or availability of a Facility;
- 2) Providing to a Member any Covered Service which is different, or is provided in a different manner or at a different time from that provided to other Members under this Contract except where medically indicated;
- 3) Subjecting a Member to segregation or separate treatment in any manner related to the receipt of any Covered Service;
- 4) Restricting a Member in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any Covered Service, treating a Member or Eligible Beneficiary differently from others in determining whether he or she satisfies any admission, Enrollment, quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any Covered Service;
- 5) The assignment of times or places for the provision of services on the basis of the race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56, of the participants to be served.

Contractor shall take affirmative action to ensure that Members are provided Covered Services without regard to race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56, except where medically indicated. For the purposes of this section, physical handicap includes the carrying of a gene which may, under some circumstances, be associated with disability in that person's offspring, but which causes no adverse effects on the carrier. Such genes will include, but are not limited to, Tay-Sachs trait, sickle cell trait, thalassemia trait, and X-linked hemophilia.

B. Discrimination Related To Health Status

Contractor shall not discriminate among eligible individuals on the basis of their health status requirements or requirements for health care services during enrollment, re-enrollment or disenrollment. Contractor will not terminate the enrollment of an eligible individual based on an adverse change in the Member's health.

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C. Discrimination Complaints

Contractor agrees that copies of all Grievances alleging discrimination against Members or Eligible Beneficiaries because of race, color, national origin, creed, ancestry, religion, language, age, marital status, sex, sexual orientation, gender identity, health status, or physical or mental disability, or identification with any other persons or groups defined in Penal Code 422.56, will be forwarded to DHCS for review and appropriate action.

29. Federal Nondiscrimination Requirements

Contractor shall comply with all applicable federal requirements in Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972 (regarding education programs and activities, as amended); the Age Discrimination Act of 1975; the Rehabilitation Act of 1973, as amended; the Americans with Disabilities Act of 1990, as amended; and Section 1557 of the Patient Protection and Affordable Care Act.

30. Disabled Veteran Business Enterprises (DVBE)

Contractor shall comply with applicable requirements of California law relating to Disabled Veteran Business Enterprises (DVBE) commencing at Section 10115 of the Public Contract Code.

31. Word Usage

Unless the context of this Contract clearly requires otherwise, (a) the plural and singular numbers shall each be deemed to include the other; (b) the masculine, feminine, and neuter genders shall each be deemed to include the others; (c) "shall," "will," "must," or "agrees" are mandatory, and "may" is permissive; (d) "or" is not exclusive; and (e) "includes" and "including" are not limiting.

32. Federal False Claims Act Compliance

Effective January 1, 2007, Contractor shall comply with 42USC Section 1396a(a)(68), Employee Education About False Claims Recovery, as a condition of receiving payments under this Contract. Upon request by DHCS, Contractor shall demonstrate compliance with this provision, which may include providing DHCS with copies of Contractor's applicable written policies and procedures and any relevant employee handbook excerpts.

33. Disclosures

In accordance with 42 CFR 438.608(c), Contractor and any Subcontractors shall:

- A. Provide written disclosure of any prohibited affiliation under 42 CFR 438.610.

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- B. Provide written disclosures of information on ownership and control as required under 42 CFR 455.104.
- C. Report to DHCS within 60 calendar days when it has identified the Capitation Payments or other payments in excess of the amounts specified in this Contract.

34. Treatment of Recoveries

- A. Per 42 CFR 438.608(d)(1) relating to the treatment of recoveries made by Contractor of Overpayments to Providers, Contractor shall comply with guidelines issued by DHCS pertaining to:
 - 1) The retention policies for the treatment of recoveries of all Overpayments from Contractor to a Provider, including for the treatment of recoveries of Overpayments due to Fraud, Waste, or Abuse.
 - 2) The process, timeframes, and documentation required for reporting the recovery of all Overpayments.
 - 3) The process, timeframes, and documentation required to pay recoveries of Overpayments to DHCS when Contractor is not permitted to retain some or all of the recoveries of Overpayments.
 - 4) This Provision does not apply to any amount of a recovery to be retained under the False Claims Act cases or through other investigations.
- B. Contractor shall require and have a mechanism in place for a Network Provider to report to Contractor when it has received an Overpayment, to return the Overpayment to Contractor within 60 calendar days after the date the Overpayment was identified, and to notify Contractor in writing of the reason for the Overpayment, per 42 CFR 438.608(d)(2).
- C. Contractor shall annually report to DHCS their recoveries of Overpayments per 42 CFR 438.608(d)(3).
- D. In accordance with 42 CFR 438.608(d)(4), DHCS shall use the results of the information and documentation collected in Paragraph A.1) of this Provision, and the report in Paragraph C of this Provision, for setting actuarially sound capitation rates for Contractor consistent with the requirements in 42 CFR 438.4.
- E. Contractor shall also comply with these requirements as directed in APL17-003.

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1. Payment for Services

DHCS shall pay the appropriate Capitation Payment set forth in Exhibit B, Budget Detail and Payment Provisions, Provision 4. Capitation Rates to the Contractor for each eligible Member under this Contract, and ensure that such payments are based on actuarially sound capitation rates as defined in 42 CFR 438.4 and developed in accordance with standards specified in 42 CFR 438.5. Payments will be made monthly for the duration of this Contract. Any adjustments for Federally Qualified Health Centers will be made in accordance with W & I Code 14087.325.

2. Medical Reviews

DHCS shall conduct medical reviews in accordance with W & I Code 14456. DHCS shall have the discretion to accept plan performance reports, audits or reviews conducted by other agencies or accrediting bodies that use standards comparable to those of DHCS. These plan performance reports, audits and reviews may be in lieu of an audit or review conducted by DHCS in order to eliminate duplication of auditing efforts.

3. Enrollment Processing by DHCS

A. General

The parties to this Contract agree that the primary purpose of DHCS' Medi-Cal Managed Care System is to improve quality and access to care for Medi-Cal beneficiaries. The parties acknowledge that the Medi-Cal eligibility process and the managed care enrollment system are dynamic and complex programs. The parties also acknowledge that it is impractical to ensure that every beneficiary eligible for enrollment in the Contractor's plan will be enrolled in a timely manner. Furthermore, the parties recognize that for a variety of reasons some Eligible Beneficiaries will not be enrolled in Contractor's plan and will receive Covered Services in the Medi-Cal FFS system. These reasons include, but are not limited to, the exclusion of some beneficiaries from participating in Medi-Cal managed care, the time it takes to enroll beneficiaries, and the lack of a current valid address for some beneficiaries. The parties desire to work together in a cooperative manner so that Eligible Beneficiaries who choose to or should be assigned to Contractor's plan are enrolled in Contractor's plan pursuant to the requirements of this entire Provision 3, below. The parties agree that to accomplish this goal it is necessary to be reasonably flexible with regard to the enrollment process.

B. Enrollment Processing Definitions

For purposes of this entire Provision 3. Enrollment Processing by DHCS, the following definitions shall apply:

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- 1) Fully Converted County means a county in which the following circumstances exist, except for those Medi-Cal beneficiaries covered by Title 22 CCR Section 53887:
 - a) Eligible Beneficiaries who meet the mandatory enrollment criteria contained in Title 22 CCR Section 53845(a) may no longer choose to receive Covered Services on a FFS basis; and
 - b) All new Eligible Beneficiaries who meet the mandatory enrollment criteria contained in Title 22 CCR Section 53845(a) must now choose a managed care plan or they will be assigned to a managed care plan; and
 - c) All Eligible Beneficiaries listed in the Medi-Cal Eligibility Data System (MEDS) as meeting the mandatory enrollment criteria contained in Title 22 CCR Section 53845(a) on the last date that both a. and b. above occur:
 - i. Have been notified of the requirement to choose a managed care plan and informed that if they fail to choose a plan they will be assigned to a managed care plan; and
 - ii. Those beneficiaries still eligible for Medi-Cal and enrollment into a managed care plan at the time their plan enrollment is processed in MEDS have been enrolled into a managed care plan.
- 2) Mandatory Plan Beneficiary means:
 - a) A new Eligible Beneficiary who meets the mandatory enrollment criteria contained in Title 22 CCR Section 53845(a), both at the time her/his plan enrollment is processed by the DHCS Enrollment Contractor and by MEDS; or
 - b) An Eligible Beneficiary previously receiving Covered Services in a county without mandatory managed care enrollment who now resides in a county where mandatory enrollment is in effect and who meets the mandatory enrollment criteria contained in Title 22 CCR Section 53845(a); or
 - c) An Eligible Beneficiary meeting the criteria of Title 22 CCR Section 53845(b), and who subsequently meets the criteria

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of Title 22 CCR Section 53845(a).

- 3) Mandatory Plan Beneficiary shall not include any Eligible Beneficiary who:
 - a) is eligible to receive Covered Services on a FFS basis because her/his MEDS eligibility for managed care plan enrollment is interrupted due to aid code, zip code or county code changes; or
 - b) becomes eligible for enrollment in a managed care plan on a retroactive basis.

C. DHCS Enrollment Obligations

- 1) DHCS shall receive applications for enrollment from its enrollment contractor and shall verify the current eligibility of applicants for enrollment in Contractor's plan under this Contract. If the Contractor has the capacity to accept new Members, DHCS or its enrollment contractor shall enroll or assign Eligible Beneficiaries in Contractor's plan when selected by the Eligible Beneficiary or when the Eligible Beneficiary fails to timely select a plan. Of those to be enrolled or assigned in Contractor's plan, DHCS will ensure that in a Fully Converted County a Mandatory Plan Beneficiary will receive an effective date of plan enrollment that is no later than 90 calendar days from the date that MEDS lists such an individual as meeting the enrollment criteria contained in Title 22 CCR Section 53845(a), if all changes to MEDS have been made to allow for the enrollment of the individual and all changes necessary to this Contract to accommodate such enrollment, including, but not limited to rate changes and aid code changes, have been executed. DHCS will use due diligence in making any changes to MEDS and to this Contract. DHCS will provide Contractor a list of Members on a monthly basis.
- 2) DHCS or its enrollment contractor shall assign Eligible Beneficiaries meeting the enrollment criteria contained in Title 22 CCR Section 53845(a) to plans in accordance with Title 22 CCR Section 53884.
- 3) Notwithstanding any other provision in this Contract, Sub-Paragraphs 1) and 2) above shall not apply to:
 - a) Eligible Beneficiaries previously eligible to receive Medi-Cal services from a Prepaid Health Plan or Primary Care Case Management Plan and such plan's contract with DHCS expires, terminates, or is assigned or transferred to Contractor;

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- b) Members who are enrolled into another managed care plan on account of assignment, assumption, termination, or expiration of this Contract;
- c) Eligible Beneficiaries covered by a new mandatory aid code, added to this Contract;
- d) Eligible Beneficiaries meeting the criteria of Title 22 CCR Section 53845(b), who subsequently meet the criteria of Title 22 CCR Section 53845(a) due solely to DHCS designating a prior voluntary aid code as a new mandatory aid code;
- e) Eligible Beneficiaries residing in an excluded zip code area within a county that is not a fully converted county; or
- f) Eligible Beneficiaries without a current valid deliverable address or with an address designated as a county post office box for homeless beneficiaries.

D. Disputes Concerning DHCS Enrollment Obligations

- 1) Contractor shall notify DHCS of DHCS' noncompliance with this Provision 3. Enrollment Processing pursuant to the requirements and procedures contained in Exhibit E, Attachment 2, Provision 18, Disputes.
- 2) DHCS shall have 120 calendar days from the date of DHCS' receipt of Contractor's notice (the "cure period") to cure any noncompliance with this Provision 3. Enrollment Processing, identified in Contractor's notice, without incurring any financial liability to the Contractor. For purposes of this section, DHCS shall be deemed to have cured any noncompliance with this Provision 3. Enrollment Processing, identified in Contractor's notice if within the cure period any of the following occurs:
 - a) Mandatory Plan Beneficiaries receive an effective date of plan enrollment that is within the cure period, or
 - b) DHCS corrects enrollment that failed to comply with this Provision 3. Enrollment Processing, by redirecting enrollment from one Contractor to another within the cure period in order to comply with this Provision 3. Enrollment Processing, or
 - c) Within the cure period, DHCS changes the distribution of beneficiary Assignment (subject to the requirements of Title

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22 CCR Section 53845), to the maximum extent new beneficiaries are available to be assigned, to make up the number of incorrectly assigned beneficiaries as soon as possible.

- 3) If it is necessary to redirect enrollment or change the distribution of beneficiary Assignment due to noncompliance with this Provision 3. Enrollment Processing, and such change varies from the requirements of Title 22 CCR Section 53884(b)(5) or (b)(6), Contractor agrees it will neither seek legal nor equitable relief for such variance or the results of such variance if DHCS resumes assignment consistent with Sections 53884(b)(5) or (b)(6) after correcting a noncompliance with this Provision 3, Enrollment Processing.

- 4) Notwithstanding Exhibit E, Attachment 2, Provision 1, Governing Law or any other provision of this Contract, if DHCS fails to cure a noncompliance with this Provision 3, Enrollment Processing, within the cure period, DHCS will be financially liable for such noncompliance as follows:

DHCS will be financially liable for Contractor's demonstrated actual reasonable losses as a result of the noncompliance, beginning with DHCS' first failure to comply with its enrollment obligation set forth herein. DHCS' financial liability shall not exceed 15 percent of Contractor's monthly Capitation Payment calculated as if noncompliance with this Provision 3. Enrollment Processing did not occur, for each month in which DHCS has not cured noncompliance pursuant to Paragraph D. Sub-Paragraph 2) above, beginning with DHCS' first failure to comply with its enrollment obligation set forth herein.

- 5) Notwithstanding Paragraph D. Sub-Paragraph 4) above, DHCS shall not be financially liable to Contractor for any noncompliance with Provision 3. Enrollment Processing, in an affected county (on a county-by-county basis) if Contractor's loss of Mandatory Plan Beneficiaries, in a month in which any noncompliance occurs, is less than five percent of Contractor's total Members in that affected county in the month in which the noncompliance occurs. The parties acknowledge that the above-referenced five-percent threshold shall apply on a county-by-county basis, not in the aggregate.

4. Disenrollment Processing

DHCS shall review and process requests for disenrollment and notify the Contractor and the Member of its decision.

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5. DHCS Approval Process

- A. Within five (5) working days of receipt, DHCS shall acknowledge in writing the receipt of any material sent to DHCS by Contractor pursuant to Exhibit E, Attachment 2, Provision 8, Obtaining DHCS Approval.
- B. Within 60 calendar days of receipt, DHCS shall make all reasonable efforts to approve in writing the use of such material provided to DHCS pursuant to Exhibit E, Attachment 2, Provision 8, Obtaining DHCS Approval, provide Contractor with a written explanation why its use is not approved, or provide a written estimated date of completion of DHCS' review process. If DHCS does not complete its review of submitted material within 60 calendar days of receipt, or within the estimated date of completion of DHCS review, Contractor may elect to implement or use the material at Contractor's sole risk and subject to possible subsequent disapproval by DHCS. This Paragraph shall not be construed to imply DHCS approval of any material that has not received written DHCS approval. This paragraph shall not apply to Subcontracts or sub-subcontracts subject to DHCS approval in accordance with Exhibit A, Attachment 6, Provision 13, Subcontracts, Paragraph C. regarding Departmental Approval – Non-Federally Qualified HMOs, and Paragraph D. regarding Departmental Approval – Federally Qualified HMOs.

6. Program Information

DHCS shall provide Contractor with complete and current information with respect to pertinent policies, procedures, and guidelines affecting the operation of this Contract, within 30 calendar days of receipt of Contractor's written request for information, to the extent that the information is readily available. If the requested information is not available, DHCS shall notify Contractor within 30 calendar days, in writing, of the reason for the delay and when Contractor may expect the information.

7. Catastrophic Coverage Limitation

DHCS shall limit the Contractor's liability to provide or arrange and pay for care for illness of, or injury to, Members which results from or is greatly aggravated by, a catastrophic occurrence or disaster.

8. Risk Limitation

DHCS shall agree that there will be no risk limitation and that Contractor will have full financial liability to provide Medically Necessary Covered Services to Members.

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9. Notice of Termination of Contract

DHCS shall notify Members of their health care benefits and options available upon termination or expiration of this Contract.

10. Program Integrity

DHCS shall monitor during the Contract term on program integrity standards, in accordance with 42 CFR 438.602, and shall conduct the following:

- A. Monitoring of Contractor, Subcontractors, and Network Providers for compliance as applicable with 42 CFR 438.604, 438.606, 438.608, 438.610, 438.230, and 438.808.
- B. Review of the ownership and control disclosures submitted by Contractor and any Subcontractors as required in 438.608(c).
- C. Confirm the identity and determine the exclusion status of Contractor, any Subcontractor, as well as any person with an ownership or control interest, or who is an agent or managing employee of this Contract, through routine checks of federal databases. This includes the Social Security Administration's Death Master File, the National Plan and Provider Enumeration System (NPPES), the List of Excluded Individuals/Entities (LEIE), the System for Award Management (SAM), and any other databases as the State or Secretary may prescribe. These databases must be consulted upon contracting and no less frequently than monthly thereafter. If the State finds a party that is excluded, it must promptly notify Contractor and take action consistent with 42 CFR 438.610(c).
- D. Periodically, but no less frequently than once every three (3) years, conduct, or contract for the conduct of, an independent audit of the Encounter Data and financial data submitted by, or on behalf of, Contractor.
- E. Receive and investigate information from whistleblowers relating to the integrity of Contractor, Subcontractors, or Network Providers receiving federal funds.
- F. Post on its web site as required in 42 CFR 438.602(g), the following documents and reports:
 - 1) This Contract.
 - 2) The data required in 42 CFR 438.604(a)(5).
 - 3) The name and title of individuals included in 42 CFR 438.604(a)(6).

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- 4) The results of any audits under Section E of this Provision.
- G. Implement conflict of interest safeguards described in 42 CFR 438.58 and comply with the requirements described in this Provision.
- H. Mental Health Parity
 - 1) Monitor Contractor's compliance with mental health parity requirements in 42 CFR 438.900 et seq.
 - 2) Ensure that Contractor, Subcontractors, and any contracted entities are not applying any financial or treatment limitations to mental health or substance use disorder benefits in any classification that is more restrictive than the predominant financial requirement or treatment limitation applied to medical/surgical benefits in the same classification.

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DO NOT DELETE THIS PAGE ELECTRONICALLY – It is coded to be “hidden” and the

Exhibit G

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

I. Recitals

- A. This Contract (Agreement) has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations").
- B. The Department of Health Care Services ("DHCS") wishes to disclose to Business Associate certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("ePHI"), under federal law, and personal information ("PI") under state law.
- C. As set forth in this Agreement, Contractor, here and after, is the Business Associate of DHCS acting on DHCS' behalf and provides services, arranges, performs or assists in the performance of functions or activities on behalf of DHCS and creates, receives, maintains, transmits, uses or discloses PHI and PI. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
- D. The purpose of this Addendum is to protect the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act and the HIPAA regulations, including, but not limited to, the requirement that DHCS must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act.
- E. The terms used in this Addendum, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

II. Definitions

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.
- B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.

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HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, and the HIPAA regulations.
- D. Electronic Health Record shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C Section 17921 and implementing regulations.
- E. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.
- F. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR section 160.103.
- G. Privacy Rule shall mean the HIPAA Regulation that is found at 45 CFR Parts 160 and 164.
- H. Personal Information shall have the meaning given to such term in California Civil Code section 1798.29.
- I. Protected Health Information means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR section 160.103.
- J. Required by law, as set forth under 45 CFR section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Exhibit G

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
- L. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI or PI, or confidential data that is essential to the ongoing operation of the Business Associate's organization and intended for internal use; or interference with system operations in an information system.
- M. Security Rule shall mean the HIPAA regulation that is found at 45 CFR Parts 160 and 164.
- N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. section 17932(h), any guidance issued pursuant to such Act and the HIPAA regulations.

III. Terms of Agreement**A. Permitted Uses and Disclosures of PHI by Business Associate**

Permitted Uses and Disclosures. Except as otherwise indicated in this Addendum, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of DHCS, provided that such use or disclosure would not violate the HIPAA regulations, if done by DHCS. Any such use or disclosure must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, and the HIPAA regulations.

1. ***Specific Use and Disclosure Provisions.*** Except as otherwise indicated in this Addendum, Business Associate may:
 - a. ***Use and disclose for management and administration.*** Use and disclose PHI for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.

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- b. ***Provision of Data Aggregation Services.*** Use PHI to provide data aggregation services to DHCS. Data aggregation means the combining of PHI created or received by the Business Associate on behalf of DHCS with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of DHCS.

B. Prohibited Uses and Disclosures

1. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).
2. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DHCS and as permitted by 42 U.S.C. section 17935(d)(2).

C. Responsibilities of Business Associate

Business Associate agrees:

1. ***Nondisclosure.*** Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.
2. ***Safeguards.*** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of DHCS, in compliance with 45 CFR sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Business Associate will provide DHCS with its current and updated policies.

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3. **Security.** To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
 - a. Complying with all of the data system security precautions listed in Attachment A, the Business Associate Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement;
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III - Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
 - d. In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.

Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with DHCS.

D. Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or its subcontractors in violation of the requirements of this Addendum.

E. Business Associate's Agents and Subcontractors.

1. To enter into written agreements with any agents, including subcontractors and vendors, to whom Business Associate provides PHI or PI received from or created or received by Business Associate on behalf of DHCS, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Business Associate with respect to such PHI and PI under this Addendum, and that comply with all applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, including the

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requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PI. Business Associate shall incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or subaward to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI or PI be reported to Business Associate.

2. In accordance with 45 CFR section 164.504(e)(1)(ii), upon Business Associate's knowledge of a material breach or violation by its subcontractor of the agreement between Business Associate and the subcontractor, Business Associate shall:
 - a. Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by DHCS; or
 - b. Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.

F. *Availability of Information to DHCS and Individuals.* To provide access and information:

1. To provide access as DHCS may require, and in the time and manner designated by DHCS (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to DHCS (or, as directed by DHCS), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for DHCS that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DHCS health plans; or those records used to make decisions about individuals on behalf of DHCS. Business Associate shall use the forms and processes developed by DHCS for this purpose and shall respond to requests for access to records transmitted by DHCS within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.
2. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable DHCS to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).

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3. If Business Associate receives data from DHCS that was provided to DHCS by the Social Security Administration, upon request by DHCS, Business Associate shall provide DHCS with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.

G. *Amendment of PHI.* To make any amendment(s) to PHI that DHCS directs or agrees to pursuant to 45 CFR section 164.526, in the time and manner designated by DHCS.

H. *Internal Practices.* To make Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from DHCS, or created or received by Business Associate on behalf of DHCS, available to DHCS or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by DHCS or by the Secretary, for purposes of determining DHCS' compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Business Associate, Business Associate shall so certify to DHCS and shall set forth the efforts it made to obtain the information.

I. *Documentation of Disclosures.* To document and make available to DHCS or (at the direction of DHCS) to an Individual such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR section 164.528 and 42 U.S.C. section 17935(c). If Business Associate maintains electronic health records for DHCS as of January 1, 2009.

Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after January 1, 2014. If Business Associate acquires electronic health records for DHCS after January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after the date the electronic health record is acquired, or on or after January 1, 2011, whichever date is later. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.

J. *Breaches and Security Incidents.* During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

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1. **Notice to DHCS.** (1) To notify DHCS **immediately by telephone call plus email or fax** upon the discovery of a breach of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, or upon the discovery of a suspected security incident that involves data provided to DHCS by the Social Security Administration. (2) To notify DHCS **within 24 hours by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notice shall be provided by calling the DHCS ITSD Service Desk. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. Business Associate shall use the most current version of this form, which is posted on the DHCS Privacy Office website (www.dhcs.ca.gov), then select "Privacy" in the left column and then "Business Use" near the middle of the page) or use this link: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, Business Associate shall take:

- a. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
 - b. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
2. **Investigation and Investigation Report.** To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PI. Within 72 hours of the discovery, Business Associate shall submit an updated "DHCS Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the

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extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:

3. ***Complete Report.*** To provide a complete report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "DHCS Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the "DHCS Privacy Incident Report" form, Business Associate shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "DHCS Privacy Incident Report" form. DHCS will review and approve the determination of whether a breach occurred and individual notifications are required, and the corrective action plan.
4. ***Notification of Individuals.*** If the cause of a breach of PHI or PI is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The notifications shall comply with the requirements set forth in 42 U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.
5. ***Responsibility for Reporting of Breaches.*** If the cause of a breach of PHI or PI is attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate

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has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to DHCS in addition to Business Associate, Business Associate shall notify DHCS, and DHCS and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.

6. **DHCS Contact Information.** To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.

DHCS Program Contract Manager
DHCS Privacy Officer
DHCS Information Security Officer

See the Scope of Work exhibit for Program Contract Manager information

Privacy Officer

c/o: Office of HIPAA Compliance

Department of Health Care Services

P.O. Box 997413, MS 4722

Sacramento, CA 95899-7413

Toll Free: (866) 866-0602

Telephone: (916) 445-4646

Email: privacyofficer@dhcs.ca.gov

Fax: (916) 440-7680

Information Security Officer

DHCS Information Security Office

P.O. Box 997413, MS 6400

Sacramento, CA 95899-7413

Email: iso@dhcs.ca.gov

Fax: (916) 440-5537

Telephone: ITSD Service Desk

(916) 440-7000 or

(800) 579-0874

K. Termination of Agreement. In accordance with Section 13404(b) of the

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HITECH Act and to the extent required by the HIPAA regulations, if Business Associate knows of a material breach or violation by DHCS of this Addendum, it shall take the following steps:

1. Provide an opportunity for DHCS to cure the breach or end the violation and terminate the Agreement if DHCS does not cure the breach or end the violation within the time specified by Business Associate; or
2. Immediately terminate the Agreement if DHCS has breached a material term of the Addendum and cure is not possible.

L. *Due Diligence.* Business Associate shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Addendum and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Addendum.

M. *Sanctions and/or Penalties.* Business Associate understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Business Associate may result in the imposition of sanctions and/or penalties on Business Associate under HIPAA, the HITECH Act and the HIPAA regulations.

IV. Obligations of DHCS

DHCS agrees to:

A. *Notice of Privacy Practices.* Provide Business Associate with the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. Visit the DHCS Privacy Office to view the most current Notice of Privacy Practices at: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx> or the DHCS website at www.dhcs.ca.gov (select "Privacy in the left column and "Notice of Privacy Practices" on the right side of the page).

B. *Permission by Individuals for Use and Disclosure of PHI.* Provide the Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.

C. *Notification of Restrictions.* Notify the Business Associate of any restriction to the use or disclosure of PHI that DHCS has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.

D. *Requests Conflicting with HIPAA Rules.* Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by DHCS.

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V. Audits, Inspection and Enforcement

- A.** From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Addendum. Business Associate shall promptly remedy any violation of any provision of this Addendum and shall certify the same to the DHCS Privacy Officer in writing. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does DHCS':
1. Failure to detect or
 2. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of DHCS' enforcement rights under this Agreement and this Addendum.
- B.** If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Addendum, Business Associate shall notify DHCS and provide DHCS with a copy of any PHI or PI that Business Associate provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or PI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).

VI. Termination

- A. *Term.*** The Term of this Addendum shall commence as of the effective date of this Addendum and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by DHCS to Business Associate, or created or received by Business Associate on behalf of DHCS, is destroyed or returned to DHCS, in accordance with 45 CFR 164.504(e)(2)(ii)(I).
- B. *Termination for Cause.*** In accordance with 45 CFR section 164.504(e)(1)(ii), upon DHCS' knowledge of a material breach or violation of this Addendum by Business Associate, DHCS shall:
1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by DHCS; or
 2. Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible

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- C. *Judicial or Administrative Proceedings.*** Business Associate will notify DHCS if it is named as a defendant in a criminal proceeding for a violation of HIPAA. DHCS may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. DHCS may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- D. *Effect of Termination.*** Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from DHCS (or created or received by Business Associate on behalf of DHCS) that Business Associate still maintains in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. Business Associate shall continue to extend the protections of this Addendum to such PHI, and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

VII. Miscellaneous Provisions

- A. *Disclaimer.*** DHCS makes no warranty or representation that compliance by Business Associate with this Addendum, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
- B. *Amendment.*** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DHCS' request, Business Associate agrees to promptly enter into negotiations with DHCS concerning an amendment to this Addendum embodying written assurances consistent with the standards and requirements of

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HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DHCS may terminate this Agreement upon thirty (30) days written notice in the event:

1. Business Associate does not promptly enter into negotiations to amend this Addendum when requested by DHCS pursuant to this Section; or
2. Business Associate does not enter into an amendment providing assurances regarding the safeguarding of PHI that DHCS in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.

C. *Assistance in Litigation or Administrative Proceedings.* Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.

D. *No Third-Party Beneficiaries.* Nothing express or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than DHCS or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

E. *Interpretation.* The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.

F. *Regulatory References.* A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.

G. *Survival.* The respective rights and obligations of Business Associate under Section VI.D of this Addendum shall survive the termination or expiration of this Agreement

H. *No Waiver of Obligations.* No change, waiver or discharge of any liability or

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obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

Two-Plan CCI Boilerplate

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I. Personnel Controls

- A. *Employee Training.*** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.
- B. *Employee Discipline.*** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.
- C. *Confidentiality Statement.*** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.
- D. *Background Check.*** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

II. Technical Security Controls

- A. *Workstation/Laptop encryption.*** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.

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- B. *Server Security.*** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- C. *Minimum Necessary.*** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.
- D. *Removable media devices.*** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.
- E. *Antivirus software.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- F. *Patch Management.*** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- G. *User IDs and Password Controls.*** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
- Upper case letters (A-Z)
 - Lower case letters (a-z)
 - Arabic numerals (0-9)
 - Non-alphanumeric characters (punctuation symbols)

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- H. *Data Destruction.*** When no longer needed, all DHCS PHI or PI must be wiped using the Gutmann or US Department of Defense (DOD) 5220.22-M (7 Pass) standard, or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88. Other methods require prior written permission of the DHCS Information Security Office.
- I. *System Timeout.*** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- J. *Warning Banners.*** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.
- K. *System Logging.*** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- L. *Access Controls.*** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.
- M. *Transmission encryption.*** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-Mail.
- N. *Intrusion Detection.*** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

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III. Audit Controls

- A. *System Security Review.*** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- B. *Log Reviews.*** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.
- C. *Change Control.*** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

IV. Business Continuity / Disaster Recovery Controls

- A. *Emergency Mode Operation Plan.*** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.
- B. *Data Backup Plan.*** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

V. Paper Document Controls

- A. *Supervision of Data.*** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

Exhibit G, Attachment A
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

- B. *Escorting Visitors.*** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.
- C. *Confidential Destruction.*** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.
- D. *Removal of Data.*** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.
- E. *Faxing.*** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- F. *Mailing.*** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

ADOPTEDBOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

45 November 7, 2023


 CELIA ZAVALA
 EXECUTIVE OFFICER

DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.
LISA H. WONG, Psy.D.
 Director

Curley L. Bonds, M.D.
 Chief Medical Officer

Connie D. Draxler, M.P.A.
 Acting Chief Deputy Director

November 07, 2023

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

Dear Supervisors:

**APPROVAL TO EXTEND THE TERM OF THE MEDI-CAL WAIVER AKA CALIFORNIA
 ADVANCING AND INNOVATING MEDI-CAL 1915(b) WAIVER, CONTRACTING AND
 IMPLEMENTATION AUTHORITY
 (ALL SUPERVISORIAL DISTRICTS)
 (3 VOTES)**

SUBJECT

Request approval to extend the term of the authority to execute and operationalize new agreements associated with the State of California's Medicaid Waiver proposal. The California Advancing and Innovating Medi-Cal initiative aspires to improve the health and quality of life of the Medi-Cal managed care population through broad delivery system, program, and payment reforms.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the extension of the authority delegated to the Directors of the Los Angeles County Departments of Mental Health (DMH), Public Health (DPH), and Health Services (DHS) to negotiate, prepare, execute, and operationalize new agreements with health plans, provider groups, and pharmacy benefit networks necessary to establish or maintain California Advancing and Innovating Medi-Cal (CalAIM) initiatives up to one year after the end of CalAIM. All other delegated authorities adopted in the December 7, 2021 Board letter will remain the same. Such agreements will be subject to (a) prior review and approval by County Counsel, (b) submission to the Chief Executive Office and Board of Supervisors (Board) not less than 15 days prior to the anticipated execution of any agreement under this request, in its then-current draft form with an opportunity to provide feedback to the relevant department within five calendar days thereafter.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 7, 2021, your Board authorized the Directors of DMH, DPH, and DHS to negotiate, prepare, execute, and operationalize new agreements with health plans, provider groups, and pharmacy benefit networks to establish or maintain CalAIM initiatives; this authority will expire on December 31, 2023. In order to expeditiously execute new agreements and remain compliant with the Statewide effort to streamline and standardize services for Medi-Cal beneficiaries through managed care plans, the departments are requesting an extension of Recommendation 1 in the December 7, 2021 Board letter titled "Approval For New Medi-Cal Waiver Contracting and Implementation Authority" up to one year after the end of CalAIM.

We are requesting this extension because CalAIM's roll out at the State level has taken longer than anticipated and the State has added new populations that are eligible for Enhanced Care Management (ECM). As a result, the health departments are still contracting with the managed care plans to launch ECM and Community Supports.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan, Strategy I.2.2 - Enhance Our Delivery Comprehensive Interventions: Streamline Access to Integrated Health Services.

FISCAL IMPACT/FINANCING

CalAIM will continue to be financed through a mix of federal, State, and local funds.

Each department will use its existing resources to support any new agreements entered into under this Board letter and will not require additional Net County Cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since the adoption of the December 7, 2021 Board letter, the Centers for Medicare and Medicaid Services has approved the CalAIM Section 1915 (b) waiver and extended it until December 31, 2026.

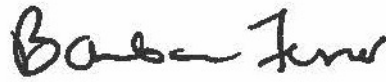
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will allow DMH, DPH, and DHS to continue providing Medi-Cal beneficiaries access to critical health, mental health, and substance use services.

Respectfully submitted,

Handwritten signature of Lisa H. Wong in black ink.

LISA H. WONG, Psy.D.
Director

Handwritten signature of Barbara Ferrer in black ink.

Barbara Ferrer, PhD, MPH, MEd
Director

Handwritten signature of Christina R. Ghaly in blue ink.

Christina R. Ghaly, M.D.
Director

LHW:CDD:KN:SK:ZW:atm

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Chairperson, Mental Health Commission

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter☐ Board Memo☐ Other

CLUSTER AGENDA REVIEW DATE	5/27/2026	
BOARD MEETING DATE	6/16/2026	
SUPERVISORIAL DISTRICT AFFECTED	☐ All ☐ 1 st ☐ 2 nd ☒ 3 rd ☐ 4 th ☐ 5 th	
DEPARTMENT(S)	Public Health	
SUBJECT	Request approval to execute a sole source amendment to a non-financial contract with the Child Development Consortium Los Angeles to extend the term, effective July 1, 2026, through June 30, 2027, to operate the Van Nuys Early Education Center.	
PROGRAM	Office for the Advancement of Early Care and Education	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	☒ Yes ☐ No	
SOLE SOURCE CONTRACT	☒ Yes ☐ No If Yes, please explain why: Current contract with CDCLA for the provision of services at the Center is scheduled to end on June 30, 2026. Extension of this contract as a sole source to be effective July 1, 2026, will allow CDCLA to continue the provision of child care services at the Center while a solicitation is for a new Center operator is conducted.	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	☒ Yes ☐ No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS	Current contract is scheduled to end June 30, 2026.	
COST & FUNDING	Total cost: \$0	Funding source: N/A
	TERMS (if applicable): 7/1/26 - 6/30/27	
	Explanation: Non-Financial Contract	
PURPOSE OF REQUEST	Approve and instruct the Director of the Department of Public Health (Public Health), or designee, to execute a sole source amendment to Contract Number PH-004644 with Child Development Consortium Los Angeles (CDCLA) to continue to operate the Van Nuys Early Education Center (Center), effective July 1, 2026, through June 30, 2027. Public Health is also requesting delegated authority to: Execute amendments that extend the term through June 30, 2028; update the statement of work and/or scope of work, as necessary; update the fees and pricing schedule and Child Care Centers Ratio as necessary; and correct errors in the contract's terms and conditions, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office. Immediately suspend or terminate the contract upon issuing a written notice to the contractor if contractor fails to fully comply with contractual requirements; and to terminate	

	contract for convenience by providing a 30-calendar day advance written notice to the contract, subject to review and approval by County Counsel.
BACKGROUND (include internal/external issues that may exist including any related motions)	CDCLA began providing early care and education services at the Center as an interim operator in 2018 following the termination of the previous operator's contract and was subsequently selected as the official operator through a competitive Request for Proposals process in 2020. Under the existing Contract Number PH-004644, CDCLA operates the Center under a non-financial contract. CDCLA is responsible for providing high quality and affordable child development services to County and County employees based near the Van Nuys Civic Center, and to community residents when slots are available. CDCLA is required to obtain and leverage contracts, grants, and/or subsidies, and to collect reduced family fees. CDCLA secures all necessary licenses; provides hot meal service; and works with parents, County, and the sponsoring County departments' Advisory Committee.
EQUITY INDEX OR LENS WAS UTILIZED	☐ Yes ☒ No If Yes, please explain how:
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	☒ Yes ☐ No If Yes, please state which one(s) and explain how: The recommended action support Board Priority #9 Poverty Alleviation Initiative (PAI). In accordance with PAI's plan to provide and expand basic supports available to the community, the provision of CDCLA child care services at the Center ensures that County employees and community members have access to affordable child care services.
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Diana Alvarado, Policy and Program Specialist, (786) 719-4734 DAIvarado@ph.lacounty.gov Leanne Drogin, Deputy Director, (310) 869-9292 LDrogin@ph.lacounty.gov Craig Kirkwood Jr, Deputy County Counsel (213) 974-1751 ckirkwood@counsel.lacounty.gov Joshua Bobrowsky, Public Health Director Government Affairs (213) 288-7871 jbobrowsky@ph.lacounty.gov



COUNTY OF LOS ANGELES BOARD OF SUPERVISORS POLICY 5.100 SOLE SOURCE CHECKLIST

Department Name: Public Health

☐

New Sole Source Contract

CDCLA Van Nuys Contract #PH-004644

☒

New Sole Source Contract for Replacement of Existing Services, or Amendments for Extension of Contracts for Existing Services

Date Existing Contract First Approved:

5/26/2020

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS TO EXTEND CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one single source for the service exists.
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
☒	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance services and/or support services agreements are required on equipment and/or software, which must be serviced by the original manufacturer, software provider, or an authorized service representative.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Approved by:

Ray Young for Erika Bonilla

Chief Executive Office

4/27/2026

Date

**COUNTY OF LOS ANGELES – DEPARTMENT OF PUBLIC HEALTH
PROVISION OF VAN NUYS CIVIC CENTER CHILD
DEVELOPMENT CENTER SERVICES**

Amendment 3

THIS AMENDMENT is made and entered into on _____,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

CHILD DEVELOPMENT CONSORTIUM
LOS ANGELES (hereafter "Contractor").

WHEREAS, reference is made to the document entitled "CONTRACT BETWEEN COUNTY OF LOS ANGELES AND CHILD DEVELOPMENT CONSORTIUM LOS ANGELES FOR THE PROVISION OF VAN NUYS CIVIC CENTER CHILD DEVELOPMENT CENTER SERVICES," dated May 26, 2020, further identified as Contract No. PH-004644, and any Amendments thereto (all hereafter "Contract"); and

WHEREAS, on May 26, 2020, the County Board of Supervisors delegated authority to the Director of Public Health (hereafter "Public Health"), or designee, execute amendments to the Contract; and

WHEREAS, it is the intent of the parties hereto to amend the Contract to extend the term through June 30, 2027, increase the contract maximum obligation, and make other hereafter designated changes; and

WHEREAS, said Contract provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it continues to possess the competence, expertise, and personnel necessary to provide services consistent with the requirements of this Contract and consistent with the professional standard of care for these services.

NOW, THEREFORE, the parties hereto agree to the following:

1. This Amendment is hereby incorporated into the original Contract, and all of its terms and conditions, including capitalized terms defined therein, shall be given full force and effect as it fully set forth herein.

2. This Amendment is effective upon execution, for the period of May 26, 2020, through June 30, 2027.

3. Paragraph 4, Term of Contract, subparagraph 4.1 is deleted in its entirety and replaced to read as follows:

“4.1 The term of this Contract is effective May 26, 2020, and will continue in full force and effect through June 30, 2027, unless sooner terminated or extended, in whole or in part, as provided in this Contract.”

4. Paragraph 5, Contract Sum, subparagraphs 5.1.1, is deleted in its entirety and replaced to read as follows:

“5.1.1 The County agrees to reimburse Contractor up to a maximum of \$75,000 annually for the maintenance, utilities, and janitorial costs to ensure the facility is clear, safe, secure, and comfortable.”

5. Paragraph 7.6, Confidentiality, Subparagraph 7.6.1, is deleted in its entirety and replaced as follows:

“7.6.1 Contractor must maintain the confidentiality of all records and information in accordance with all applicable federal, State, and local laws, rules, regulations, ordinances, directives, guidelines, policies, and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information. In the event of a breach, suspected breach, or unlawful use or disclosure of confidential records, Contractor must immediately, no later than 24 hours after discovery, notify the County's Project Manager.”

6. Paragraph 8.11, **Consideration of Hiring GAIN/GROW Participants**, is deleted in its entirety and replaced as follows:

“8.11 Consideration of Hiring GAIN/START Participants

8.11.1 Should Contractor require additional or replacement personnel after the effective date of this Contract, Contractor will give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater

Avenues for Independence (GAIN) Program or Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet Contractor's minimum qualifications for the open position(s). For this purpose, consideration means that Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to Contractor. Contractor must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and bsservices@opportunity.lacounty.gov and DPSS will refer qualified GAIN/START job candidates.

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

7. Paragraph 8.38, Record Retention and Inspection-Audit Settlement, is deleted in its entirety and replaced as follows:

"8.38 Record Retention and Audits

8.38.1 Service Records: Contractor must maintain all service records related to this Contract for a minimum period of seven years following the expiration or prior termination of this Contract. Contractor must provide upon request by County, accurate and complete records of its activities and operations as they relate to the provision of services hereunder. Records must be accessible as detailed in the subsequent Subparagraph(s).

8.38.2 Financial Records: Contractor must prepare and maintain on a current basis, complete financial records in accordance with generally accepted accounting principles; written guidelines, standards, and procedures which may from time to time be promulgated by Director; and requirements set forth in the Los Angeles County Auditor-Controller's Contract Accounting and Administration Handbook. The handbook is available on the internet at: [AC Contract Accounting and Administration Handbook - Revised July 2025](#)"

8. Paragraph 8.61, Campaign Contribution Prohibition Following Final Decision in Contract Proceeding, is added as follows:

"8.61 Campaign Contribution Prohibition Following Final Decision in Contract Proceeding

Pursuant to Government Code Section 84308, Contractor and its subcontractors, are prohibited from making a contribution of more

than \$500 to a County officer for 12 months after the date of the final decision in the proceeding involving this Contract, including any amendments to this contract. Failure to comply with the provisions of Government Code Section 84308 and of this paragraph, may be a material breach of this Contract as determined in the sole discretion of the County.”

9. Except for the changes set forth hereinabove, all other terms and conditions of the Contract remain the same.

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

COUNTY OF LOS ANGELES

By _____
Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

CHILD DEVELOPMENT CONSORTIUM LOS
ANGELES

Contractor

By _____
Signature

Printed Name

Title _____

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
DAWYN R. HARRISON
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Public Health

By _____
Contracts and Grants Division Management

#08610:cv



BARBARA FERRER, Ph.D., M.P.H., M.Ed.
Director

MUNTU DAVIS, M.D., M.P.H.
County Health Officer

ANISH P. MAHAJAN, M.D., M.S., M.P.H.
Chief Deputy Director

313 North Figueroa Street, Suite 806
Los Angeles, CA 90012
TEL (213) 288-8117 • FAX (213) 975-1273

www.publichealth.lacounty.gov



BOARD OF SUPERVISORS

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

June 16, 2026

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

Dear Supervisors:

**APPROVAL TO EXECUTE A SOLE SOURCE AMENDMENT TO A NON-FINANCIAL
SERVICE CONTRACT WITH THE CHILD DEVELOPMENT CONSORTIUM LOS
ANGELES TO EXTEND THE TERM THROUGH JUNE 30, 2027
(THIRD SUPERVISORIAL DISTRICT) (3 VOTES)**

SUBJECT

Request approval to execute a sole source amendment to a non-financial contract with the Child Development Consortium Los Angeles to extend the term, effective July 1, 2026, through June 30, 2027, to operate the Van Nuys Early Education Center.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of the Department of Public Health (Public Health), or designee, to execute a sole source amendment, substantially similar to Exhibit I, to Contract Number PH-004644 with Child Development Consortium Los Angeles (CDCLA) to continue to operate the Van Nuys Early Education Center (Center), effective July 1, 2026, through June 30, 2027.
2. Delegate authority to the Director of Public Health, or designee, to execute amendments that: a) extend the term through June 30, 2028; b) update the statement of work and/or scope of work, as necessary; c) update the fees and pricing schedule and Child Care Centers Ratio as necessary; and d) correct errors in the contract's terms and conditions, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office (CEO).

3. Delegate authority to the Director of Public Health, or designee, to immediately suspend or terminate the contract upon issuing a written notice to the contractor if the contractor fails to fully comply with contractual requirements; and to terminate the contract for convenience by providing a 30-calendar day advance written notice to the contractor, subject to review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Center is a County-owned facility that has operated since 2006, providing full-day early care and education services to County and Superior Court (Court) employees and community residents in the San Fernando Valley. CDCLA is responsible for providing high-quality, affordable child development services to County and Court employees located in and near the Van Nuys Civic Center, as well as to community residents.

County and Court employees currently comprise approximately 31 percent of the Center's enrollment, which has a maximum capacity of 94 children and has consistently remained at or near full capacity. County and Court employees are given priority placement as vacancies arise.

CDCLA operates the Center under a non-financial contract. Operating costs are funded through parent fees collected and managed by CDCLA. The County provides the facility rent-free, while facility maintenance and certain operating costs are supported by the following sponsoring County Departments: Children and Family Services, District Attorney, Office of the Public Defender, Probation, Public Health, Public Social Services, and the Superior Court of California. CDCLA must obtain and leverage contracts, grants, and/or subsidies, and is expected to pass any resulting cost savings on to families in the form of reduced fees. Since July 2020, Public Health, Office for the Advancement of Early Care and Education, has served as the contract administrator and leads the County's oversight of the Center.

CDCLA is responsible for securing all necessary licenses; providing high-quality child development services, demonstrated through participation in and maintenance of a California State Preschool Program – Quality Start Los Angeles rating of four or higher or earning, and accreditation from the National Association for the Education of Young Children; providing hot meal service; collecting parent fees; maintaining telephone service at the facility; and collaborating effectively with parents, the County, and the sponsoring County departments' Advisory Panel.

Approval of Recommendation 1 will allow Public Health to execute a sole source amendment to extend the term of CDCLA's contract to allow CDCLA to continue as the Center operator and provide needed child care services while Public Health conducts a solicitation for a new operator.

Approval of Recommendation 2 will allow Public Health to execute amendments that extend the term through June 30, 2028; update the statement of work and/or scope of

work; fees and pricing schedule; and Child Care Centers Ratio; as necessary; and/or correct errors or omissions in the contract's terms and conditions.

Approval of Recommendation 3 will allow Public Health to immediately suspend or terminate the contract if the contractor fails to perform and/or fully comply with contract requirements, to terminate the contract for convenience by providing 30-calendar days' advance written termination notice to the contractor.

Implementation of Strategic Plan Goals

The recommended action supports North Star 2, Foster vibrant and resilient communities, Goal 2E: Economic Health, and 2F: Community Connections.

FISCAL IMPACT/FINANCING

The contract is a non-financial agreement. Staffing and programmatic costs of the Center are supported by parent fees that are collected by CDCLA. The Center's annual operating costs are estimated at approximately \$1.4 million.

The Center's annual utility, janitorial, and facility maintenance costs total approximately \$42,000 and are funded through a Memorandum of Understanding (MOU) among sponsoring County departments and the Court. Under this MOU, five sponsoring County Departments each contribute \$19,000 annually, for a total of \$95,000, toward maintenance-related costs. Public Health contributes \$34,000 to fully fund the Service Level Agreement with County Internal Services Department. Public Health, as the assigned sponsor department provides financial administrative oversight of these funds. Unused funds from the departmental contributions are held in reserve to meet future projected increases in maintenance, utility, and janitorial costs and unexpected facility needs such as facility improvements or extraordinary maintenance expenses.

There is no net County cost associated with this action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Center began serving children in January 2006. In June 2009, the CEO was informed the original operator would not be renewing its contract and would cease operating the program on August 31, 2009. An abbreviated search for an alternative operator was conducted by the County to avoid a break in service to participating families. Around the Korner was identified in a sole source search and awarded a one-year agreement by the Board on September 22, 2009.

A Request for Proposals (RFP) was conducted in 2010 and Around the Korner was awarded the Center contract in 2011, as the only vendor to submit a proposal for operation of the Center. In 2018, CDCLA began operating the Center as an interim operator after Around the Korner abruptly terminated their contract. The County conducted a competitive RFP process in 2020 and CDCLA was selected as the official operator.

The Honorable Board of Supervisors

June 16, 2026

Page 4

For several years, your Board has approved extensions to the contract with CDCLA for the provision of services at the Center. CDCLA currently operates ten employer-sponsored child care centers across Los Angeles County and has consistently demonstrated the ability to deliver high-quality child care services. The current contract is scheduled to expire on June 30, 2026, and a solicitation process is required to select an operator for the Center.

As required by Board Policy 5.100, your Board was notified on March 5, 2026, of Public Health's intent to extend the term of a non-financial contract with CDCLA for the operation of the Center.

County Counsel has reviewed and approved Exhibit I as to use. Attachment A is the Sole Source Checklist signed by the CEO.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This extension is necessary to ensure continuity of services while a solicitation for a new Center operator is conducted. CDCLA's ongoing operation of the Center will allow for uninterrupted service delivery and continuity in the level and quality of services provided.

Respectfully submitted,

Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

BF:cv
#08610

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	5/27/2026	
BOARD MEETING DATE	6/16/2026	
SUPERVISORIAL DISTRICT AFFECTED	☒ All ☐ 1 st ☐ 2 nd ☐ 3 rd ☐ 4 th ☐ 5 th	
DEPARTMENT(S)	Department of Health Services (DHS)	
SUBJECT	APPROVE ACCEPTANCE OF AN AWARD FROM THE CALIFORNIA DEPARTMENT OF STATE HOSPITALS AND APPROVE RELATED ACTIONS TO FURTHER IMPLEMENT THE FELONY INCOMPETENT TO STAND TRIAL COMMUNITY-BASED RESTORATION PROGRAM AND THE PRE-TRIAL FELONY MENTAL HEALTH DIVERSION PROGRAM	
PROGRAM	Office of Diversion and Reentry (ODR)	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	☒ Yes ☐ No	
SOLE SOURCE CONTRACT	☐ Yes ☒ No	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	☐ Yes ☒ No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.	
DEADLINES/ TIME CONSTRAINTS		
COST & FUNDING	Total cost: The award from the Department of State Hospitals (DSH) will be \$698,380,961.	Funding source: The DSH award will fund the entire Felony Incompetent to Stand Trial Community-Based Restoration (FIST CBR) and Diversion Program over a five-year period.
	TERMS (if applicable): Effective July 1, 2026 through June 30, 2031.	
	Explanation: There is no impact to net County Cost.	
PURPOSE OF REQUEST	1. Delegate authority to the Director of Health Services (Director), or designee, to accept an anticipated award from the DSH in the amount of \$698,380,961 effective July 1, 2026 through June 30, 2031, and sign a new agreement with DSH and all other related documents, to further implement the County of Los Angeles (LA County) DHS' ODR FIST CBR Program and Diversion Program, subject to prior review and approval as to form by County Counsel. 2. Delegate authority to the Director, or designee, to execute future amendments to the DSH agreement, to: (a) accept additional funding and modify the scope of work and adjust the budget as needed, to address changes in program requirements; or (b) add, delete or modify agreement term in ways that do not materially alter the legal obligations of LA County, with all amendments subject to prior review and approval as to form by County Counsel, and written notification to the Board of Supervisors (Board) and Chief Executive Office (CEO) regarding amendments executed pursuant to (a). 3. Delegate authority to the Director, or designee, to negotiate and execute new agreements and/or amendments to agreements with qualified Mental Health providers to provide acute and Institute of Mental Disease (IMD) hospital transitional beds that are necessary to provide care to eligible ODR clients, including revisions to statements of work, extension to agreement terms and/or increase contract sums, provided such actions do not exceed Board approved funding to deliver such services, subject to review and approval as to form by County Counsel with	

	notification to the Board and CEO. The foregoing delegated authority includes negotiating on a case-by-case basis appropriate changes to the standard County insurance and indemnification provisions, and other standard County contract terms, subject to review and approval of CEO Risk Management and County Counsel with notification to the Board.
BACKGROUND (include internal/external issues that may exist including any related motions)	Since 2018, the Board has approved multiple agreements with the DSH to expand community-based treatment and diversion services for justice-involved individuals with serious mental health needs. These agreements allowed for the implementation and expansion of the FIST CBR Program, the implementation and expansion of the Diversion Program, and a 2023 agreement to consolidate and significantly expand both programs to support up to 1,344 beds and serve up to 840 IST clients annually. DSH now proposes a new agreement to further streamline and maintain program administration and align services with the anticipated 2026–27 State budget. The new agreement will maintain a minimum capacity of 1,005 beds and serve at least 670 IST clients annually.
EQUITY INDEX OR LENS WAS UTILIZED	☐ Yes ☒ No If Yes, please explain how:
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	☒ Yes ☐ No If Yes, please state which one(s) and explain how: The expansion of the Diversion Program supports Priority 3: Care First, Jails Last as it allows those with serious mental health needs in jail to be receive care in the community, rather than jail.
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: - Julio Alvarado, Director Cont. Admin & Mntr., jalvarado@dhs.lacounty.gov - Clemens Hong, MD, Director, Community Programs, CHong@dhs.lacounty.gov - Sara Zimble, Principal Deputy County Counsel, SZimble@counsel.lacounty.gov

June 16, 2026

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

Dear Supervisors:

**APPROVE ACCEPTANCE OF AN AWARD FROM THE CALIFORNIA DEPARTMENT OF
STATE HOSPITALS AND APPROVE RELATED ACTIONS TO FURTHER IMPLEMENT
THE FELONY INCOMPETENT TO STAND TRIAL COMMUNITY-BASED RESTORATION
PROGRAM AND THE PRE-TRIAL FELONY MENTAL HEALTH DIVERSION PROGRAM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approve acceptance of an award from the California Department of State Hospitals (DSH) in the amount of \$698,380,961 and approve related actions to further implement the Felony Incompetent to Stand Trial Community-Based Restoration (FIST CBR) Program and the Pre-Trial Felony Mental Health Diversion (Diversion) Program.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or designee, to accept an anticipated award from the DSH in the amount of \$698,380,961 effective July 1, 2026 through June 30, 2031, and sign a new agreement with DSH and all other related documents, to further implement the County of Los Angeles (LA County) Department of Health Services' (DHS) Office of Diversion and Reentry (ODR) FIST CBR Program and Diversion Program, subject to prior review and approval as to form by County Counsel.
2. Delegate authority to the Director, or designee, to execute future amendments to the DSH agreement, to: (a) accept additional funding and modify the scope of work and adjust the budget as needed, to address changes in program requirements; or (b) add, delete or modify agreement term in ways that do not materially alter the legal obligations of LA County, with all amendments subject to prior review and approval as to form by County Counsel, and written notification to the Board of Supervisors (Board) and Chief Executive Office (CEO) regarding amendments executed pursuant to (a).

3. Delegate authority to the Director, or designee, to negotiate and execute new agreements and/or amendments to agreements with qualified Mental Health providers to provide acute and Institute of Mental Disease (IMD) hospital transitional beds that are necessary to provide care to eligible ODR clients, including revisions to statements of work, extension to agreement terms and/or increase contract sums, provided such actions do not exceed Board approved funding to deliver such services, subject to review and approval as to form by County Counsel with notification to the Board and CEO. The foregoing delegated authority includes negotiating on a case-by-case basis appropriate changes to the standard County insurance and indemnification provisions, and other standard County contract terms, subject to review and approval of CEO Risk Management and County Counsel with notification to the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

On June 19, 2018, the Board delegated authority to the Director to execute DSH Agreement No. 18-78002-000 to accept the initial award of \$44,213,875 from DSH to implement the FIST CBR Program to provide community-based competency restoration for individuals charged with felony offenses and found by the courts Incompetent to Stand Trial (IST) under Penal Code section 1370. On November 2, 2021, the Board approved Amendment No. 4 to DSH Agreement 18-78002-000 to increase the award to a total of \$110,941,497 and expand the program to a total of 515 beds.

On February 5, 2019, the Board delegated authority to the Director to execute DSH Agreement No. 18-79901-000 to accept the initial award of \$25,864,100 from DSH to implement the Diversion Program for the provision of housing and services for up to 200 clients with serious mental health needs who have been diverted from the criminal justice system by the court pursuant to Penal Code Section 1001.36 et seq. On August 9, 2022, the Board approved Amendment No. 2 to DSH Agreement 18-79901-000 to increase the award to a total of \$59,576,100 and provide services for up to 336 total clients.

On June 6, 2023, the Board delegated authority to the Director to execute Agreement No. 22-79016-000 to accept the initial award of \$629,677,190 from DSH to expand the FIST CBR and Diversion Programs to up to 1,344 beds and admit up to 840 IST clients per year.

To streamline the management of the agreements and delivery of services, DSH is proposing to improve upon Agreement No. 22-79016-000. The new DSH agreement will extend the term to maintain the FIST CBR and Diversion Programs to a minimum of 1,005 beds and admit a minimum of 670 IST clients per year. This will align the delivery of FIST community-based services in accordance with the legislative authority pending final approval as part of the 2026-27 State budget.

The terms and conditions of Agreement 22-79016-000 will remain in full force and effect until such time as the new DSH agreement is fully executed and contingent upon enactment of the 2026-27 State budget. A Notice of Cancellation will be issued for Agreement 22-79016-000 upon execution of the new DSH agreement. The terms and conditions of Agreement 22-

79016-000 will remain in full force and effect until all contracted clients have been served at which point a Notice of Cancellation will be issued, if necessary, and the ongoing program funding will be paid through the new DSH agreement.

Recommendations

Approval of the first recommendation will allow the Director, or designee, to accept an award of \$698,380,961 for the FIST CBR and Diversion Programs, and sign the new DSH Agreement anticipated to effective July 1, 2026 and expiring on June 30, 2031. This award will authorize the maintenance of the FIST CBR and Diversion Programs to a minimum of 1,005 beds.

Approval of the second recommendation will allow the Director, or designee, to execute future amendments to the new DSH agreement without interruption to the provision of services in a timely manner.

Approval of the third recommendation will allow the Director, or designee, to execute new agreements and/or amendments to agreements with qualified Mental Health providers to provide acute and IMD hospital transitional beds that are necessary to provide care to eligible ODR clients.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support County's Strategic Plan North Star 1, Make investments that transform lives specifically Focus Area Goal A. Healthy Family Individuals and Families, Focus Area Goal C. Housing and Homelessness, and Focus Area D. Support Vulnerable Populations; North Star 2, Foster vibrant and resilient communities specifically Focus Area Goal A. Public Health and Focus Area B. Care First, Jails Last; and North Star 3 specifically Focus Area Goal E. Data-Driven Decision Making.

FISCAL IMPACT/FINANCING

The total FIST CBR and Diversion Program maintenance costs are estimated to be \$698,380,961 for the period of July 1, 2026 through June 30, 2031, and the DSH award will fully fund the entire program.

Upon Board approval, DHS will incorporate the funding needs into each respective fiscal year's annual budget process. There is no impact to net County cost associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Despite the decrease in the number of people in the general population of LA County jails, the number of people with mental health needs in jail has increased to 6,367 individuals, comprising over 40% of the total jail population. Of those, approximately 1,719 have acute mental health needs (approximately 13% of the total jail population). As of January 10, 2026, there are 275 people awaiting transfer to a State hospital who are deemed IST, many of

whom have been waiting for several months. Many people with serious mental health needs, including those who are deemed IST, remain in jail because they do not have access to other facilities for their care. The new DSH agreement will continue and maintain community treatment services pursuant to Penal Code section 1001.36 (Diversion), Welfare & Institutions Code section 4361 (Diversion), and Penal Code section 1370 (CBR) for IST individuals charged with felonies who would otherwise remain in jail or receive care in other State hospital facilities. This contract furthers LA County's efforts to come into compliance with provisions of the federal settlement agreement with the United States Department of Justice and its Care First, Jails Last priorities by ramping up additional community treatment capacity for those who would otherwise remain longer in Los Angeles County Jails.

The new DSH agreement and/or related documents, will be reviewed and approved as to form by County Counsel before execution.

CONTRACTING PROCESS

ODR was selected by DSH to administer the FIST CBR and Diversion Programs based on programmatic need in Los Angeles County.

To identify qualified providers, DHS/ODR relied on Department of Mental Health's (DMH) existing solicitation for Acute and Sub-Acute services. DMH provided a list of respondents demonstrating both the interest and capacity to serve DHS clients. ODR subsequently engaged these providers and conducted evaluations based on factors including relevant experience, service capacity, readiness to implement services within required timelines, and willingness to partner with DHS. Pursuant to emergency authority granted by the Board, DHS selected providers to ensure timely and uninterrupted access to services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will enable ODR to maintain the FIST CBR and Diversion Programs to a minimum of 1,005 beds.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:adm

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

OFFICE OF DIVERSION AND REENTRY

IST Solutions Renewal Agreement
May 20, 2026



Health Services
LOS ANGELES COUNTY

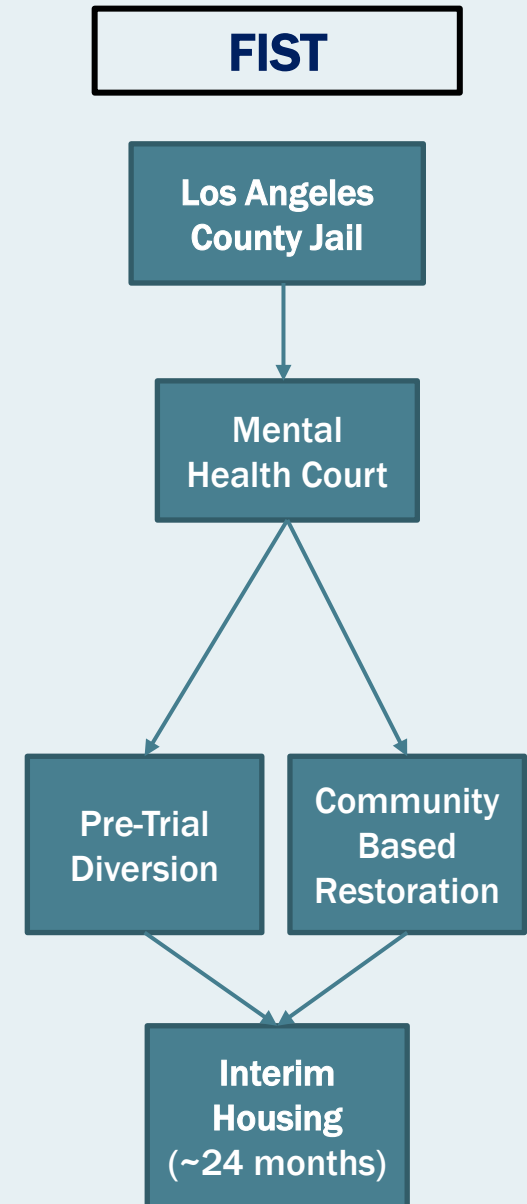
IST Solutions Renewal Agreement

- ODR has been awarded approximately \$698M, over 5 years, from the California Department of State Hospitals (DHS) to maintain the FIST (Felony Incompetent to Stand Trial) program.
- If approved by the LA County Board of Supervisors, the award will be effective July 1, 2026, and expire on June 30, 2031.
 - We anticipate the award will be renewed at the end of the agreement term.
- This award will authorize the maintenance of the FIST CBR and Diversion Programs to a minimum of 1,005 beds.
- The DSH award will fully fund the entire program. There will be no impact to net County cost.

OFFICE OF DIVERSION
AND REENTRY

Felony Incompetent to Stand Trial

- The FIST program diverts individuals facing felony charges who are found incompetent to stand trial into community-based settings, reducing the jail mental health population.
- Community-based placements are tailored to the client and range from inpatient treatment to care in open residential settings.



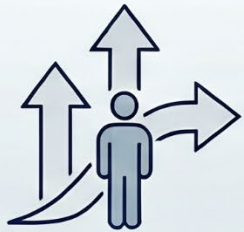
FIST PROGRAM OUTCOMES

RECIDIVISM REDUCTION & COMMUNITY IMPACT

RELEASED

3.15k

Total Individuals



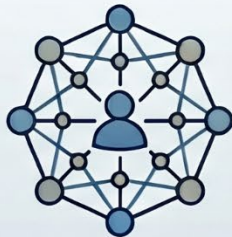
DIVERTED

ACTIVELY
SERVED

970

INDIVIDUALS

(Oct - Dec 2025)



NOT REBOOKED
IN 2-YEARS

69%

RATE



DECREASE IN
BOOKINGS/PERSON

1.9

AVERAGE FEWER
PER PERSON

(2 years POST vs PRE)



DECREASE IN
JAIL DAYS

81.5K

TOTAL DAYS
DECREASED

(2 years POST vs PRE)



FIST BEDS

Bed Type	Current IST Beds (May 2026)	Total IST Beds After Renewed Contract (July 2026)
Acute	45	45
Subacute	119	119
Specialty Interim Housing	841	841
Total	1005	1005



- **THANK YOU**
- **QUESTIONS?**



BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	5/27/2026		
BOARD MEETING DATE	6/16/2026		
SUPERVISORIAL DISTRICT AFFECTED	☒ All ☐ 1 st ☐ 2 nd ☐ 3 rd ☐ 4 th ☐ 5 th		
DEPARTMENT(S)	Health Services		
SUBJECT	Approval of Proposition A Agreement for Security Guard Services		
PROGRAM	Health Services and various County departments		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	☒ Yes ☐ No		
SOLE SOURCE CONTRACT	☐ Yes ☒ No If Yes, please explain why:		
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	☐ Yes ☒ No – Not Applicable If unsure whether a matter is subject to the Levine Act, email your packet to EOLevineAct@bos.lacounty.gov to avoid delays in scheduling your Board Letter.		
DEADLINES/ TIME CONSTRAINTS	Current agreement is slated to expire on June/30/2026.		
COST & FUNDING	Total cost: Estimated cost of \$301,933,574		Funding source: Included in Departments' Fiscal Year (FY) 2026-27 Recommended Budget.
	TERMS (if applicable):		
	Explanation: Continued funding will be requested in future fiscal years as necessary.		
PURPOSE OF REQUEST	For the Board to make the finding that Security Guard Services can continue to be performed more economically by an independent contractor, approve and execute the recommended five year Prop A Agreement, and delegate authority to the Director of DHS or designee to take subsequent actions to effectively administer the Agreement on behalf of the County, including exercising the three (3) one-year extension options, adjust service rates, scope of services, and/or sites, and add, delete or modify certain terms and conditions as required by federal or State law or regulation, LA County ordinance or policy, the Board or Chief Executive Office, and to suspend or terminate the Agreement in whole or in part.		
BACKGROUND (include internal/external issues that may exist including any related motions)	Security Guard Services are essential to keep our patients, visitors, and staff safe. Reliable security helps prevent violence, protect property, and support a calm and safe care environment. The Board has approved current Agreements for the continued provision of Security Guard Services on March 12, 2019. The Agreements have been beneficial and cost-effective to the County. Continued provision of Security Guard Services is vital to safeguard public health, support clinical operations, and uphold the standard of care within LA County's healthcare system. The current Agreement is slated to expire on June 30, 2026.		

EQUITY INDEX OR LENS WAS UTILIZED	☐ Yes ☒ No If Yes, please explain how:
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	☐ Yes ☒ No If Yes, please state which one(s) and explain how:
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: DHS, Matthew Ohan, mohan@dhs.lacounty.gov , (562) 385-6563, Program Office CoCo, Patrice Salseda, psaseda@counsel.lacounty.gov , (213) 584-1464

June 16, 2026

DRAFT

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

Dear Supervisors:

**APPROVAL OF FOUR PROPOSITION A AGREEMENTS FOR
SECURITY GUARD SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval and execution of four successor Proposition A Agreements with both Universal Protection Service, LP, DBA Allied Universal Security Services and Inter-Con Security System, Inc. for the provision of Security Guard Services at Department of Health Services and other County of Los Angeles facilities.

IT IS RECOMMENDED THAT THE BOARD:

1. Make a finding pursuant to Los Angeles County Code Section 2.121.420 that Security Guard Services (Services), as described herein, can continue to be performed more economically by independent contractors.
2. Approve and instruct the Chair or designee, to execute a Proposition A (Prop A) Agreement (Exhibit I) with Universal Protection Service, LP; DBA Allied Universal Security Services ("Allied Security") effective October 1, 2026 through September 30, 2031, with options to extend the Agreement term for up to three (3) one-year periods at the County of Los Angeles' (LA County) sole discretion, for the provision of Services for Service Area 1 at Department of Health Services ("DHS") and other County facilities ("Service Sites") identified in Attachment A, with a maximum obligation of \$75,452,718 for the initial term of the Agreement.
3. Approve and instruct the Chair or designee, to execute a Prop A Agreement (Exhibit II) with Inter-Con Security System, Inc. ("Inter-Con Security") effective October 1, 2026 through September 30, 2031, with options to extend the Agreement term for up to three (3) one-year periods at LA County's sole discretion, for the provision of Services for Service Area 2 at the Services Sites identified in Attachment A, with a maximum obligation of \$114,244,182 for the initial term of the Agreement.

4. Approve and instruct the Chair or designee, to execute a Prop A Agreement (Exhibit III) with Inter-Con Security effective October 1, 2026 through September 30, 2031, with options to extend the Agreement term for up to three (3) one-year periods at LA County's sole discretion, for the provision of Services for Service Area 3 at the Services Sites identified in Attachment A, with a maximum obligation of \$45,178,360 for the initial term of the Agreement.
5. Approve and instruct the Chair or designee, to execute a Prop A Agreement (Exhibit IV) with Inter-Con Security effective October 1, 2026 through September 30, 2031, with options to extend the Agreement term for up to three (3) one-year periods at LA County's sole discretion, for the provision of Services for Service Area 4 at the Services Sites identified in Attachment A, with a maximum obligation of \$67,058,316 for the initial term of the Agreement.
6. Delegate authority to the Director of DHS ("Director"), or designee, to negotiate and execute future amendments to the Agreements in Recommendations two through five, to: a) exercise the options to extend the terms of all the aforementioned Agreements; (b) increase the maximum obligation of the Agreements as applicable to: (i) align with increases in the Living Wage Ordinance ("LWO") rate per direction from the Chief Executive Office ("CEO"); and (ii) comply with any current or future federal or State law or regulation, County ordinance or policy requirements and Board of Supervisors ("Board") or CEO directives; and (c) increase each Agreement's maximum obligation, if any, by up to ten percent (10%) annually to modify the terms and conditions and the Statement of Work, to implement operational improvements, address changes in service needs, e.g., add/delete Service Sites, and remain competitive, with all amendments subject to prior review and approval by County Counsel.
7. Delegate authority to the Director, or designee, to issue written notice(s) of partial or full termination to suspend and/or terminate the Agreements in accordance with the termination provisions in the Agreements without further action by the Board, with all documents subject to review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS

DHS provides day-to-day medical care and critical lifesaving interventions for our patients and our communities throughout Los Angeles County. However, one of the primary challenges for health care providers is the delivery of uninterrupted quality medical care. To keep our patients, visitors, and staff safe, our facilities must have dependable security services. Reliable security helps prevent violence, protect property, and support a calm and safe care environment.

The Board approved the current Contracts for Services on March 12, 2019. The Agreements have been beneficial and cost-effective to LA County, and the continued provision of Services is vital to safeguard public health, support clinical operations, and uphold the standard of care within LA County's healthcare system. The current Contracts

are slated to expire on June 30, 2026, DHS will exercise its authority granted by the Board on March 17, 2026, to extend the term of each Contract with the current Contractors through September 30, 2026.

Approval of the first recommendation is necessary to comply with Los Angeles County Code section 2.121.420, which requires that contracting under Prop A be cost-effective. The Cost Analysis for Security Guard Services were prepared in accordance with Auditor-Controller's guidelines and methodologies. DHS has determined that the Agreements are cost effective. Attachment B provides the Cost Analysis Summary.

Approval of the second, third, fourth, and fifth recommendations will allow the Director, or designee to execute four (4) Agreements with both Allied Security and Inter-Con Security to provide Services at the Service Sites identified in Attachment A (Service Areas), for the initial five-year term effective October 1, 2026 through September 30, 2031, with three (3) one-year optional extensions, provided the Agreements continue to be cost-effective.

Approval of the sixth recommendation will allow the Director, or designee to negotiate and execute future amendments to the Agreements to: a) exercise the options to extend the terms of the aforementioned Agreements; (b) increase the maximum obligation of the Agreements as applicable to: (i) align with increases in the LWO rate per direction from the CEO; and (ii) comply with any current or future federal or State law or regulation, County ordinance or policy requirements and Board or CEO directives; and (c) increase each Agreement's maximum obligation, if any, by up to ten percent (10%) annually to modify the terms and conditions and the Statement of Work, to implement improvements, address changes in service needs, add/delete Service Sites, and remain competitive, with all amendments subject to prior review and approval by County Counsel.

Approval of the seventh recommendation will allow the Director, or designee to issue written notice(s) of partial or full termination to suspend and/or terminate the aforementioned Agreements in accordance with the termination provisions in the Agreements without further action by the Board, with all documents subject to review and approval by County Counsel.

Implementation of Strategic Plan Goal

The recommended actions support Strategy 2-A(i), "Population Based Health," and 2-C(i) "Prevention, Protection and Security" of LA County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total maximum obligation for the provision of Security Guard Services is \$301,933,574 for the initial five-year term effective October 1, 2026 through September 30, 2031. The maximum obligation for each service area is identified in Attachment A.

Funding for the respective Departments is included in its respective Fiscal Year 2026-27 Recommended Budget; and continued funding will be requested in future fiscal years, as needed. There is no impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS and the Los Angeles County Sheriff's Department (LASD) have a long-standing partnership in which LASD has provided law enforcement and security support at DHS facilities. In 2018, both departments agreed that DHS would take responsibility for unarmed security services, and in 2019 the Board approved the current contracts that will expire on June 30, 2026.

In 2025, LASD notified DHS of its plan to reduce its law enforcement presence at all DHS facilities. DHS continued to work closely with LASD for updated information, and earlier this year LASD confirmed that the reduction will take effect on July 1, 2026, while still maintaining staffing at two DHS hospitals into the summer of 2028.

As part of its planning, DHS evaluated whether to conduct a separate competitive process for armed guard services. After careful review, DHS determined that the safest and most efficient approach is to include the option for armed guard services within the same agreements used for unarmed guards. Although armed guard services were not evaluated as part of the original solicitation, this approach ensures that each DHS facility can rely on one security contractor who understands the environment, supports continuity of operations, and helps maintain clear communication and effective emergency response capabilities for patients, staff, and visitors.

County Counsel has reviewed and approved Exhibits I through IV as to form. The CEO's Risk Management Branch has reviewed and approved the insurance and indemnification provisions of the new Agreements.

The Agreements may be terminated for convenience by LA County upon ten (10) days' prior written notice. The Agreements include all of the Board's required provisions, including the most recent provisions, such as Minimum Wage For Health Care Employees and Compliance with County's Advancing High Road Jobs Initiative.

DHS has determined that the provision of Security Guard Services under the recommended Agreements are subject to Prop A guidelines, which include the LWO as set forth in Los Angeles County Code, Chapter 2.201. The Recommended Contractors have agreed to comply with the LWO. Also, the Recommended Contractors have agreed to comply with California Senate Bill 525, as codified under California Labor Code Section 1182.14 et seq. and other applicable provisions of California law, as well as with the Board Motions requiring contractors providing Services in County hospitals to provide 100% employer-paid healthcare premiums for employees who work 30 hours or more per week at the minimum actuarial value of the Affordable Care Act Gold Plan.

The award of the Agreements will not result in unauthorized disclosure of confidential information and will be in full compliance with all applicable Federal and State statutes and regulations.

CONTRACTING PROCESS

On August 23, 2024, DHS released a Request for Proposals (RFP) to identify the most qualified proposer(s) for Unarmed Security Guard Services. The RFP was posted on LA County's website, and DHS provided notice by email to vendors on DHS' internal mailing lists.

DHS received 23 proposals from seven (7) proposers by the proposal submission deadline of February 26, 2025. Proposals were evaluated using a two-phased evaluation process. Phase I was the Pass/Fail Evaluation of minimum mandatory requirements stated in the RFP. Four (4) of the seven (7) proposers passed Phase I of the evaluation phase. In Phase II, an Evaluation Committee of DHS subject matter experts used LA County's Informed Averaging Methodology to score the remaining proposals. Following this review, Allied Security and Inter-Con Security emerged as the highest-rated proposers.

The highest-rated proposers were also required to make oral presentations to the DHS Contracts and Grants division. These presentations clarified the proposers' approach and methodology for meeting personnel requirements and provided an overview of their budgets. The information contained in both the written proposals and the oral presentations were considered in determining whether to proceed with awarding the Agreements.

At the conclusion of the oral presentations, Allied Security and Inter-Con Security remained the highest-rated proposers. The Department has obtained Letters of Intent from the recommended Contractors and is therefore recommending that Agreements be awarded to Allied Security and Inter-Con Security.

Debriefings were offered to three (3) of the proposers, and two (2) proposers requested and participated in their respective debriefings. There were two (2) Proposed Contractor Selection Review requests as a result of this solicitation. Both requests were denied by an impartial DHS manager with knowledge of LA County's contracting policies and rules due to a lack of merit. No further action was requested or required.

Contracting with Community Business Enterprise Firms

Per Board Policy 5.130, Contracting with Community Business Enterprise (CBE) Firms, a summary of CBE information collected from all proposers that submitted proposals is included in Attachment C. DHS stipulates that on final analysis and consideration of award, Allied Security and Inter-Con Security were selected without regard to race, creed, color or sex.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Prop A requires that departments assess any potential impact associated with the recommended Agreements. The required assessment has been completed, and no risk exposure to LA County has been identified.

The award of these Agreements will not infringe on the role of LA County in its relationship to its residents, nor will it impair on LA County's ability to respond to emergencies. Also, the Agreements will not result in reduced services or the displacement of any County employee, as Security Guard Services are presently contracted with the private sector. In addition, the Department has determined that it has alternative resources available in the event of a default.

Approval of the recommendations will ensure DHS continues to provide Security Guard Services at the Service Sites identified on Attachment A (Services Areas).

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:jca

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

SERVICE SITES

AREA 1	
20 SERVICE SITES*	ALLIED UNIVERSAL SECURITY SERVICES
PROPOSED AGREEMENT AWARD	ANNUAL COST
October 1, 2026 - September 30, 2027	\$14,225,845.60
October 1, 2027 - September 30, 2028	\$14,645,569.86
October 1, 2028 - September 30, 2029	\$15,076,994.81
October 1, 2029 - September 30, 2030	\$15,522,841.62
October 1, 2030 - September 30, 2031	\$15,981,465.49
GRAND TOTAL	\$75,452,717.38

*Area 1 Service Sites

HIGH DESERT REGIONAL HEALTH CENTER
 LAKE LA COMMUNITY CLINIC
 LITTLEROCK COMMUNITY CLINIC
 SOUTH VALLEY HEALTH CENTER
 ANTELOPE VALLEY HEALTH CENTER
 MID-VALLEY COMPREHENSIVE HEALTH CENTER
 SAN FERNANDO HEALTH CENTER
 ZEV YAROSLAVSKY FAMILY CENTER
 H. CLAUDE HUDSON COMPREHENSIVE HEALTH CENTER
 ALVARADO HEALTH CENTER
 EL MONTE COMPREHENSIVE HEALTH CENTER
 LA PUENTE HEALTH CENTER
 HURBERT H. HUMPHREY COMPREHENSIVE HEALTH CENTER
 MARTIN LUTHER KING JR. OUTPATIENT CENTER
 BELLFLOWER HEALTH CENTER
 EDWARD R. ROYBAL COMPREHENSIVE HEALTH CENTER
 BELL HEALTH CENTER
 LONG BEACH COMPREHENSIVE HEALTH CENTER
 WILMINGTON HEALTH CENTER
 STAR CLINIC

AREA 2	
SERVICES SITES	CONTRACTOR
LOS ANGELES GENERAL MEDICAL CENTER	INTER-CON SECURITY SYSTEMS, INC.
DEPARTMENT OF MEDICAL EXAMINER	
DHS HIM & JCHS	
PROPOSED AGREEMENT AWARD	ANNUAL COST
October 1, 2026 - September 30, 2027	\$22,821,813.55
October 1, 2027 - September 30, 2028	\$22,834,870.51
October 1, 2028 - September 30, 2029	\$22,848,366.91
October 1, 2029 - September 30, 2030	\$22,862,327.53
October 1, 2030 - September 30, 2031	\$22,876,803.23
GRAND TOTAL	\$114,244,181.73

AREA 3	
SERVICES SITES	CONTRACTOR
OLIVE VIEW-UCLA MEDICAL CENTER	INTER-CON SECURITY SYSTEMS, INC.
DHS ADMINISTRATION HEADQUARTERS	
COMMUNITY PROGRAMS - HOUSING FOR HEALTH	
PROPOSED AGREEMENT AWARD	ANNUAL COST
October 1, 2026 - September 30, 2027	\$9,014,236.13
October 1, 2027 - September 30, 2028	\$9,024,584.67
October 1, 2028 - September 30, 2029	\$9,035,287.90
October 1, 2029 - September 30, 2030	\$9,046,387.55
October 1, 2030 - September 30, 2031	\$9,057,862.75
GRAND TOTAL	\$45,178,359.01

SERVICE SITES

AREA 4	
SERVICES SITES	CONTRACTOR
HARBOR-UCLA MEDICAL CENTER	INTER-CON SECURITY SYSTEMS, INC.
HARBOR BAY CLINIC	
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER	
PROPOSED AGREEMENT AWARD	ANNUAL COST
October 1, 2026 - September 30, 2027	\$13,387,677.87
October 1, 2027 - September 30, 2028	\$13,399,278.25
October 1, 2028 - September 30, 2029	\$13,411,233.32
October 1, 2029 - September 30, 2030	\$13,423,647.40
October 1, 2030 - September 30, 2031	\$13,436,478.76
GRAND TOTAL	\$67,058,315.61
GRAND TOTAL ALLIED UNIVERSAL SECURITY SERVICES	\$75,452,717.38
GRAND TOTAL INTER-CON SECURITY SYSTEMS	\$226,480,856.35
GRAND TOTAL	\$301,933,573.72

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 1
ALLIED UNIVERSAL SECURITY SERVICES
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$9,117,046.71	\$9,898,379.33	-\$781,332.62
Employee Benefits Costs	\$6,467,815.28	\$2,950,707.00	\$3,517,108.28
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$237,598.65	\$252,574.88	-\$14,976.22
Indirect Costs	\$309,356.06	\$2,615,151.72	-\$2,305,795.66
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$264,652.56	-\$264,652.56
Total Costs	\$16,131,816.70	\$15,981,465.49	\$150,351.21
Total Savings			0.93%

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 2
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

COST ANALYSIS SUMMARY - YEAR 1			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$16,416,745.85	\$15,987,441.16	\$429,304.69
Employee Benefits Costs	\$11,646,039.51	\$4,176,940.76	\$7,469,098.74
Bonuses Costs	\$481,250.00	\$0.00	\$481,250.00
Services and Supplies Costs	\$57,880.85	\$531,355.06	-\$473,474.21
Indirect Costs	\$0.00	\$1,771,314.37	-\$1,771,314.37
Start Up Costs	\$1,874,859.34	\$0.00	\$1,874,859.34
Profit Costs	\$0.00	\$354,762.20	-\$354,762.20
Total Costs	\$30,476,775.55	\$22,821,813.55	\$7,654,961.99
Total Savings			25.12%

COST ANALYSIS SUMMARY - YEAR 2			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$16,416,951.40	\$15,998,926.80	\$418,024.61
Employee Benefits Costs	\$11,646,185.33	\$4,178,247.66	\$7,467,937.67
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$329,827.19	\$531,355.06	-\$201,527.87
Indirect Costs	\$546,038.24	\$1,771,375.94	-\$1,225,337.70
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$354,965.05	-\$354,965.05
Total Costs	\$28,939,002.16	\$22,834,870.51	\$6,104,131.66
Total Savings			21.09%

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 2
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

COST ANALYSIS SUMMARY - YEAR 3			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$16,416,951.40	\$16,010,793.20	\$406,158.21
Employee Benefits Costs	\$11,646,185.33	\$4,179,597.89	\$7,466,587.43
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$329,827.19	\$531,355.06	-\$201,527.87
Indirect Costs	\$546,038.24	\$1,771,446.03	-\$1,225,407.79
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$355,174.73	-\$355,174.73
Total Costs	\$28,939,002.16	\$22,848,366.91	\$6,090,635.26
Total Savings			21.05%

COST ANALYSIS SUMMARY - YEAR 4			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$16,416,951.40	\$16,023,082.09	\$393,869.31
Employee Benefits Costs	\$11,646,185.33	\$4,180,996.04	\$7,465,189.29
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$329,827.19	\$531,355.06	-\$201,527.87
Indirect Costs	\$546,038.24	\$1,771,502.73	-\$1,225,464.49
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$355,391.62	-\$355,391.62

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 2
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

Total Costs	\$28,939,002.16	\$22,862,327.53	\$6,076,674.63
Total Savings			21.00%

COST ANALYSIS SUMMARY - YEAR 5			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$16,416,951.40	\$16,035,810.44	\$381,140.97
Employee Benefits Costs	\$11,646,185.33	\$4,182,444.34	\$7,463,740.98
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$329,827.19	\$531,355.06	-\$201,527.87
Indirect Costs	\$546,038.24	\$1,771,576.89	-\$1,225,538.65
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$355,616.51	-\$355,616.51
Total Costs	\$28,939,002.16	\$22,876,803.23	\$6,062,198.93
Total Savings			20.95%

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 3
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031

COST ANALYSIS SUMMARY - YEAR 5			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$7,661,166.37	\$6,401,047.57	\$1,260,118.80
Employee Benefits Costs	\$5,434,831.43	\$1,640,918.00	\$3,793,913.43
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$147,383.21	\$209,677.71	-\$62,294.50
Indirect Costs	\$245,894.48	\$667,316.87	-\$421,422.39
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$138,902.60	-\$138,902.60
Total Costs	\$13,489,275.49	\$9,057,862.75	\$4,431,412.74
Total Savings			32.85%

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 4
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

COST ANALYSIS SUMMARY - YEAR 1			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$11,050,368.18	\$9,448,532.36	\$1,601,835.82
Employee Benefits Costs	\$7,839,131.19	\$2,422,216.24	\$5,416,914.95
Bonuses Costs	\$316,250.00	\$0.00	\$316,250.00
Services and Supplies Costs	\$41,659.70	\$313,030.77	-\$271,371.07
Indirect Costs	\$0.00	\$996,646.99	-\$996,646.99
Start Up Costs	\$1,253,484.68	\$0.00	\$1,253,484.68
Profit Costs	\$0.00	\$207,251.52	-\$207,251.52
Total Costs	\$20,500,893.74	\$13,387,677.87	\$7,113,215.87
Total Savings			34.70%

COST ANALYSIS SUMMARY - YEAR 2			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$11,050,368.18	\$9,458,672.26	\$1,591,695.91
Employee Benefits Costs	\$7,839,131.19	\$2,423,383.66	\$5,415,747.53
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$221,420.84	\$313,030.77	-\$91,609.93
Indirect Costs	\$359,692.64	\$996,892.41	-\$637,199.77
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$207,299.15	-\$207,299.15
Total Costs	\$19,470,612.84	\$13,399,278.25	\$6,071,334.59
Total Savings			31.18%

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 4
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

COST ANALYSIS SUMMARY - YEAR 3			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$11,050,368.18	\$9,469,145.99	\$1,581,222.19
Employee Benefits Costs	\$7,839,131.19	\$2,424,589.54	\$5,414,541.65
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$221,420.84	\$313,030.77	-\$91,609.93
Indirect Costs	\$358,892.64	\$997,118.66	-\$638,226.02
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$207,348.36	-\$207,348.36
Total Costs	\$19,469,812.84	\$13,411,233.32	\$6,058,579.52
Total Savings			31.12%

COST ANALYSIS SUMMARY - YEAR 4			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$11,050,368.18	\$9,479,995.27	\$1,570,372.91
Employee Benefits Costs	\$7,839,131.19	\$2,425,838.45	\$5,413,292.73
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$221,420.84	\$313,030.77	-\$91,609.93
Indirect Costs	\$358,892.64	\$997,383.75	-\$638,491.11
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$207,399.17	-\$207,399.17
Total Costs	\$19,469,812.84	\$13,423,647.40	\$6,046,165.44
Total Savings			31.05%

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
AREA 4
INTER-CON SECURITY SYSTEMS, INC.
OCTOBER 1, 2026 - SEPTEMBER 30, 2031

COST ANALYSIS SUMMARY - YEAR 5			
<u>COSTS CATEGORY</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
Salary Costs	\$11,050,368.18	\$9,491,240.97	\$1,559,127.21
Employee Benefits Costs	\$7,839,131.19	\$2,427,133.15	\$5,411,998.04
Bonuses Costs	\$0.00	\$0.00	\$0.00
Services and Supplies Costs	\$221,420.84	\$313,030.77	-\$91,609.93
Indirect Costs	\$359,692.64	\$997,621.93	-\$637,929.29
Start Up Costs	\$0.00	\$0.00	\$0.00
Profit Costs	\$0.00	\$207,451.95	-\$207,451.95
Total Costs	\$19,470,612.84	\$13,436,478.76	\$6,034,134.08
Total Savings			30.99%

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
COST ANALYSES SUMMARY
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

TOTAL COSTS AREA 1			
<u>Year</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
October 1, 2026 - September 30, 2027	\$16,987,436.19	\$14,225,845.60	\$2,761,590.60
October 1, 2027 - September 30, 2028	\$16,131,816.70	\$14,645,569.86	\$1,486,246.84
October 1, 2028 - September 30, 2029	\$16,131,816.70	\$15,076,994.81	\$1,054,821.89
October 1, 2029 - September 30, 2030	\$16,131,816.70	\$15,522,841.62	\$608,975.08
October 1, 2030 - September 30, 2031	\$16,131,816.70	\$15,981,465.49	\$150,351.21
Total Savings	\$81,514,703.01	\$75,452,717.38	\$6,061,985.63
Savings Percentage	7.44%		

TOTAL COSTS AREA 2			
<u>Year</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
October 1, 2026 - September 30, 2027	\$30,476,775.55	\$22,821,813.55	\$7,654,961.99
October 1, 2027 - September 30, 2028	\$28,939,002.16	\$22,834,870.51	\$6,104,131.66
October 1, 2028 - September 30, 2029	\$28,939,002.16	\$22,848,366.91	\$6,090,635.26
October 1, 2029 - September 30, 2030	\$28,939,002.16	\$22,862,327.53	\$6,076,674.63
October 1, 2030 - September 30, 2031	\$28,939,002.16	\$22,876,803.23	\$6,062,198.93
Total Savings	\$146,232,784.19	\$114,244,181.73	\$31,988,602.46
Savings Percentage	21.88%		

TOTAL COSTS AREA 3			
<u>Year</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
October 1, 2026 - September 30, 2027	\$14,197,171.20	\$9,014,236.13	\$5,182,935.07
October 1, 2027 - September 30, 2028	\$13,489,275.49	\$9,024,584.67	\$4,464,690.82

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
SECURITY GUARD SERVICES - PROPOSITION A CONTRACTING
COST ANALYSES SUMMARY
OCTOBER 1, 2026 - SEPTEMBER 30, 2031**

October 1, 2028 - September 30, 2029	\$13,489,275.49	\$9,035,287.90	\$4,453,987.59
October 1, 2029 - September 30, 2030	\$13,489,275.49	\$9,046,387.55	\$4,442,887.94
October 1, 2030 - September 30, 2031	\$13,489,275.49	\$9,057,862.75	\$4,431,412.74
Total Savings	\$68,154,273.16	\$45,178,359.01	\$22,975,914.15
Savings Percentage	33.71%		

TOTAL COSTS AREA 4			
<u>Year</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
October 1, 2026 - September 30, 2027	\$20,500,893.74	\$13,387,677.87	\$7,113,215.87
October 1, 2027 - September 30, 2028	\$19,470,612.84	\$13,399,278.25	\$6,071,334.59
October 1, 2028 - September 30, 2029	\$19,469,812.84	\$13,411,233.32	\$6,058,579.52
October 1, 2029 - September 30, 2030	\$19,469,812.84	\$13,423,647.40	\$6,046,165.44
October 1, 2030 - September 30, 2031	\$19,470,612.84	\$13,436,478.76	\$6,034,134.08
Total Savings	\$98,381,745.10	\$67,058,315.61	\$31,323,429.49
Savings Percentage	31.84%		

TOTAL COSTS			
<u>AREA</u>	<u>COUNTY COSTS</u>	<u>CONTRACTOR COSTS</u>	<u>ESTIMATED SAVINGS FROM CONTRACTING</u>
AREA 1	\$81,514,703.01	\$75,452,717.38	\$6,061,985.63
AREA 2	\$146,232,784.19	\$114,244,181.73	\$31,988,602.46
AREA 3	\$68,154,273.16	\$45,178,359.01	\$22,975,914.15
AREA 4	\$98,381,745.10	\$67,058,315.61	\$31,323,429.49
Total Savings	\$394,283,505.45	\$301,933,573.72	\$92,349,931.73
Average Savings Percentage For All Areas	23.42%		

COMMUNITY BUSINESS ENTERPRISE (CBE) SUMMARY

The information provided below is a statistical summary of vendor ownership as reported by the vendor.

FIRM/ ORGANIZATION NAME: Universal Protection Service, LP DBA Allied Universal Security Services		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☒
BLACK/ AFRICAN AMERICAN		
HISPANIC/ LATINO		
ASIAN/ PACIFIC ISLANDER		
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE		
WOMEN		☒
DISADVANTAGED		☒
DISABLED VETERAN		☒
LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒
FIRM/ ORGANIZATION NAME: Inter-Con Security Systems, Inc.		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☐
BLACK/ AFRICAN AMERICAN		
HISPANIC/ LATINO	100%	
ASIAN/ PACIFIC ISLANDER		
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE		
WOMEN	29%	☐
DISADVANTAGED		☒
DISABLED VETERAN		☒
LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒

FIRM/ ORGANIZATION NAME: Securitas Security Services USA, Inc.		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☐
BLACK/ AFRICAN AMERICAN	5%	
HISPANIC/ LATINO	8%	
ASIAN/ PACIFIC ISLANDER	3%	
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE	84%	
WOMEN	16%	☐
DISADVANTAGED		☒
DISABLED VETERAN		☒
LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒
FIRM/ ORGANIZATION NAME: HSS California, Inc., A Tarian Company		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☐
BLACK/ AFRICAN AMERICAN	14%	
HISPANIC/ LATINO	14%	
ASIAN/ PACIFIC ISLANDER		
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE	72%	
WOMEN		☒
DISADVANTAGED		☒
DISABLED VETERAN		☒
LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒
FIRM/ ORGANIZATION NAME: Absolute Security Intl Corp DBA Absolute International Security		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☐
BLACK/ AFRICAN AMERICAN		
HISPANIC/ LATINO		

ASIAN/ PACIFIC ISLANDER	100%	
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE		
WOMEN	100%	☐
DISADVANTAGED		☒
DISABLED VETERAN		☒
LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒
FIRM/ ORGANIZATION NAME: Millennial Security Inc.		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☒
BLACK/ AFRICAN AMERICAN		
HISPANIC/ LATINO		
ASIAN/ PACIFIC ISLANDER		
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE		
WOMEN		☒
DISADVANTAGED		☒
DISABLED VETERAN		☒
LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒
FIRM/ ORGANIZATION NAME: Good Guard Security		
Group	Percentage of Ownership Distribution	Check if not applicable
RACE/ETHNIC MINORITY		☒
BLACK/ AFRICAN AMERICAN		
HISPANIC/ LATINO		
ASIAN/ PACIFIC ISLANDER		
NATIVE AMERICAN		
SUBCONTINENT ASIAN		
WHITE		
WOMEN		☒
DISADVANTAGED		☒
DISABLED VETERAN		☒

LESBIAN, GAY, BISEXUAL, TRANSGENDER, QUEER, AND QUESTIONING-OWNED (LGBTQQ)		☒

DEPARTMENT OF HEALTH SERVICES



AGREEMENT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

**UNIVERSAL PROTECTION SERVICE, LP DBA
ALLIED UNIVERSAL SECURITY SERVICES**

FOR

SECURITY GUARD SERVICES

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EXHIBITS

- A** Additional Provisions
- B** Statement of Work
- C** Pricing Schedule
- D** Acknowledgement and Confidentiality Agreement
- E** County's Administration
- F** Contractor's Administration
- G** Charitable Contributions Certification

**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
UNIVERSAL PROTECTION SERVICE, LP DBA
ALLIED UNIVERSAL SECURITY SERVICES
FOR
SECURITY GUARD SERVICES**

This Agreement, including the Exhibits, is made and entered into on the 1st day of October, 2026, (hereinafter "Effective Date") by and between the County of Los Angeles (hereinafter "County") and Universal Protection Service, LP; DBA Allied Universal Security Services (hereinafter "Contractor"), located at 450 Exchange, Irvine CA 92602.

RECITALS

WHEREAS, pursuant to Sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services, the facilities, premises and other service sites; and

WHEREAS, County may contract for Security Guard Services when certain requirements are met; and

WHEREAS, Contractor is a private entity specializing in the provision of Security Guard Services (hereinafter "Services") that may be solicited by County; and

WHEREAS, this Agreement is authorized pursuant to the provisions of Sections 26227 and 31000 of the California Government Code and Section 1451 of the California Health and Safety Code; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide the Services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

1.1 INTERPRETATION

The Exhibits attached to this base document (hereinafter "Base Agreement") form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule or the contents or description of any task, deliverable, goods, service or other work or otherwise between the Base Agreement and the Exhibits, or among Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Base Agreement, then to Exhibit A (Additional Provisions) (hereinafter "Additional Provisions") and then to the remaining Exhibits in alphabetical order.

Paragraph headings are utilized throughout this Agreement for convenience and reference only and are not intended to define the scope of any provision hereof. Unless specified otherwise, any Paragraph references herein shall be made to the provisions of the Base Agreement.

1.2 ENTIRE AGREEMENT

This Agreement constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 8.1 (Amendments and Modifications) and signed by both parties.

2.0 DEFINITIONS

The terms and phrases in this Paragraph, with the initial letter capitalized where applicable, whether singular or plural, whenever used in this Agreement shall have the particular meanings set forth below.

2.1 GENERAL DEFINITIONS

- 2.1.1 “Additional Services”** – shall mean the Services other than those required to be provided pursuant to the Statement of Work.
- 2.1.2 “Agreement”** – shall mean and refer to this agreement executed between County and Contractor setting forth the terms and conditions for Contractor’s performance and provision of Services as specified herein, including Exhibit B (Statement of Work).
- 2.1.3 “Board”** – shall mean County’s Board of Supervisors.
- 2.1.4 “DHS”; “Department”** – County’s Department of Health Services.
- 2.1.5 “Director”** – shall mean the Director of DHS or authorized designee.
- 2.1.6 “Fiscal Year”** – shall mean a twelve-month period beginning on July 1st and ending on June 30th of the following year.
- 2.1.7 “Pricing Schedule”** – shall mean a schedule of rates, fees and any other terms and conditions for provision of Services under the Agreement set forth in Exhibit C (Pricing Schedule) to the Agreement.
- 2.1.8 “Required Services”** – shall mean the Services described in the Statement of Work that are required to be provided by Contractor under the Agreement.
- 2.1.9 “Service Fees”** – shall mean rates and fees for provision of Services under the Agreement.
- 2.1.10 “Service Site”** – shall mean and refer to any one of County’s healthcare facilities or other sites for which Services may be provided under the Agreement, including those that may be specified in Exhibit B (Statement of Work) and any or all of those identified in <https://dhs.lacounty.gov/our-locations>, such as Medical Centers and any

associated Comprehensive Health Centers, Outpatient Centers and health centers, as well as administrative offices.

- 2.1.11** “**Service Site Project Manager**; “**Service Site PM**” – shall mean and refer to any individual designated by County's Project Manager for a Service Site, as such may be identified in Exhibit E (County's Administration) to the Agreement.
- 2.1.12** “**Services**” – shall mean goods, services and any other work that may be provided by Contractor pursuant to this Agreement, including Exhibit B (Statement of Work).
- 2.1.13** “**Statement of Work**”; “**SOW**” – shall mean Contractor's obligations and other requirements for provisions of Services hereunder as set forth in Exhibit B (Statement of Work) to the Agreement, including any sub-Exhibit(s) and Attachment(s) thereto.

3.0 WORK

3.1 PERFORMANCE OF SERVICES

Pursuant to the provisions of this Agreement, Contractor shall fully perform, complete and deliver on time all tasks, deliverables and other Services as set forth herein, including Exhibit B (Statement of Work), at the rates and fees set forth in Exhibit C (Pricing Schedule).

3.2 GRATUITOUS EFFORT

If Contractor provides any tasks, deliverables, services or other work to County other than those Services specified in this Agreement or that exceed the maximum County obligation that may be allocated for such Services, such tasks, deliverables, services or other work shall be deemed a gratuitous effort on the part of Contractor, for which Contractor shall have no claim whatsoever against County.

4.0 TERM OF AGREEMENT

4.1 TERM

The term of the Agreement shall commence on the Effective Date as reflected on the top of Page 1 of this Base Agreement, following its execution by the parties, and shall continue in full force and effect for five (5) years (hereinafter "Initial Term"), with up to three (3) one-year extension options (hereinafter each "Extension Term"), unless extended or sooner terminated, in whole or in part, as provided herein.

4.2 PERFORMANCE HISTORY

County maintains databases that track/monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a term extension option.

4.3 EXPIRATION NOTIFICATION

Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event,

Contractor shall send written notification to the DHS contact(s) identified in Exhibit E (County's Administration).

5.0 PAYMENTS AND INVOICING

5.1 PRICING AND PAYMENTS

5.1.1 Written Approval for Reimbursement

Contractor shall be paid under this Agreement only for the Services satisfactorily performed at the rates and fees specified in Exhibit C (Pricing Schedule). Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder. Assumption or takeover of any of Contractor's duties, responsibilities or obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with County's express prior written approval.

5.1.2 Third Party Reimbursement

Unless and to the extent otherwise expressly permitted in the Agreement, (i) Contractor shall not bill any patient or any payor for Services provided hereunder; (ii) shall consider payment by County to be payment in full for such Services; and (iii) shall assign to County rights to payment by any patient or third party payor, including Medicare and Medi-Cal, for any Services rendered pursuant to this Agreement.

5.1.3 The Agreement rates and fees ("Service Fees") shall not exceed those specified in the Pricing Schedule for each year of the Initial Term of the Agreement. Contractor may request an increase in the Service Fees for the Extension Term. Upon such request, the parties will mutually agree on an adjustment to the Service Fees pursuant to an amendment or other appropriate Agreement modification as authorized by the Board.

5.2 INVOICING

5.2.1 Submission of Invoices

Contractor's invoices for Services shall be priced and submitted in accordance with Exhibit C (Pricing Schedule) and shall contain, at a minimum, as applicable, description of the Services for which payment is claimed (tasks, deliverables, goods, services, etc.), hours worked and the Service Site(s) for which Services were provided. All invoices and supporting documentation shall be submitted to the person(s) designated in Exhibit E (County's Administration) by the 15th calendar day of the month following provision of the Services, unless otherwise stated in Exhibit C (Pricing Schedule) or required by law or County policy.

5.2.2 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of County's Project Manager, or authorized designee, for Services for which payment is claimed prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.2.3 Payment of Invoices

Provided that Contractor is not in breach of any provision of this Agreement, and it is not otherwise required by law or specified elsewhere in the Agreement, including Exhibit C (Pricing Schedule), County will pay properly submitted undisputed invoices within thirty (30) days of receipt by County. County's failure to pay within thirty (30) days or other appropriate period, however, shall not be deemed as automatic invoice approval or acceptance by County of any deliverable for which payment is sought, nor shall it entitle Contractor to impose an interest or penalty in any form on any late payment.

5.3 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

5.4 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.4.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with County shall be Electronic Funds Transfer (hereinafter "EFT") or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (hereinafter "A-C").

5.4.2 Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and shall comply with all accounting, record keeping, and tax reporting requirements.

5.4.3 Any provision of law, grant or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.4.4 At any time during the duration of this Agreement, Contractor may submit a written request for an exemption to this requirement. Such

request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests.

5.5 PREFERENCE PROGRAM ENTERPRISES – PROMPT PAYMENT PROGRAM

If certified in accordance with the applicable Chapter of the Los Angeles County Code as a Local Small Business Enterprise (hereinafter "LSBE"), a Social Enterprise (hereinafter "SE") or a Disabled Veterans Business Enterprise (hereinafter "DVBE") (hereinafter, each also a "Preference Program Enterprise" or "PPE"), Contractor will receive prompt payment for Services provided to County under the Agreement. Prompt payment is defined as fifteen (15) calendar days after receipt by County of a proper undisputed invoice, which has been validated against appropriate documentation, consistent with Board Policy 3.035 ([Preference Program Payment Liaison and Prompt Payment Program](#)).

6.0 ADMINISTRATION OF AGREEMENT – COUNTY

The Director, or authorized designee, shall have the authority to administer this Agreement on behalf of County and retains professional and administrative responsibility for the Services rendered under this Agreement. Other key County personnel administering the Agreement on behalf of County are referenced in the Paragraph(s) below and identified in Exhibit E (County's Administration). The key County personnel identified herein are not authorized to make changes to any of the terms or conditions of this Agreement or to further obligate County in any respect whatsoever, unless and except as may be authorized by the Board and in accordance with the terms of the Agreement, including Paragraph 8.1 (Amendments and Modifications). County will notify Contractor in writing of changes in the names or contact information specified in Exhibit E (County's Administration).

6.1 COUNTY'S PROJECT DIRECTOR

County's Project Director has the authority to negotiate and recommend all changes to this Agreement and to resolve disputes between County and Contractor.

6.2 COUNTY'S PROJECT MANAGER

County's Project Manager is County's chief contact person with respect to the day-to-day administration of this Agreement, who will be responsible for:

- Monitoring Contractor's performance of the Agreement.
- Examining the quality of any and all tasks, deliverables, goods, services and other work provided by Contractor hereunder.
- Providing direction to Contractor in the areas relating to policy, information and procedural requirements.

County's Project Manager may have a designee at any Service Site, who will be a Service Site PM for that Service Site. Unless specified otherwise, reference to County's Project Manager shall include a designee for the applicable Service Site.

County's Project Manager designated for each Service Site will be the approving authority for invoices for such Service Site.

7.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

Contractor shall designate the personnel referenced in the Paragraph(s) below and identified in Exhibit F (Contractor's Administration) for administering the Agreement on behalf of Contractor. Contractor shall notify County in writing of any change in the name or contact information of any such personnel within five (5) business days of the change.

7.1 CONTRACTOR'S PROJECT DIRECTOR

Unless the Agreement is with a sole practitioner for provision of Specialty Medical Services (hereinafter "SMS") or otherwise instructed in writing by authorized County personnel, Contractor shall designate Contractor's Project Director for the term of the Agreement. Contractor's Project Director shall be responsible for Contractor's performance of and compliance with this Agreement. Contractor's Project Director shall coordinate and/or meet with County as required by County for performance of this Agreement.

7.2 CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials for executing instruments under this Agreement on behalf of Contractor.

7.3 APPROVAL OF CONTRACTOR'S STAFF

County has the absolute right to approve or disapprove all of Contractor's staff performing Services under this Agreement, and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Director, if any.

7.4 CONFIDENTIALITY

7.4.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.4.2 Furthermore, Contractor shall: (i) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (ii) promptly transmit to County all requests for disclosure of any such records or information; (iii) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the information is releasable; and (iv) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information in accordance with the written procedures that may be provided or made available to Contractor by County for this purpose.

- 7.4.3** Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.4, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.
- 7.4.4** Contractor shall inform all of its officers, employees, agents and subcontractors providing that may provide Services under this Agreement of the confidentiality and indemnification provisions of this Agreement.
- 7.4.5** Contractor shall sign and adhere to the provisions of Exhibit D (Acknowledgement and Confidentiality Agreement) on behalf of itself and all of its employees, subcontractors, agents and other persons who may provide work for or on behalf of Contractor under the Agreement.

7.5 STAFF PERFORMANCE UNDER THE INFLUENCE

Contractor shall not knowingly permit any employee to perform Services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic or other substance which might impair physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS AND MODIFICATIONS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes to any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph below.

- 8.1.1** For any change which materially affects any term or condition of this Agreement, an Amendment to the Agreement, shall be prepared by County and executed by Contractor and County as authorized by the Board.
- 8.1.2** For any change that does not materially affect any term or condition of this Agreement, a modification to the Agreement (Administrative Amendment, Change Notice, Change Order, etc.) shall be prepared by County and signed by Contractor.
- 8.1.3** The Board or County's Chief Executive Officer (hereinafter "CEO"), or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement. County reserves the right to add and/or change such provisions as required by the Board, the CEO, or authorized designee. To implement such changes, an Amendment to the Agreement shall be

prepared by County and executed by Contractor and County as authorized by the Board.

- 8.1.4** The Director, or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in Federal and/or State law or regulation. County reserves the right to add and/or change such provisions as required by law or regulation to preserve this Agreement's conformity and compliance to Federal and/or State law or regulation. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1** Contractor shall notify County of any pending acquisitions/mergers of its entity unless otherwise legally prohibited from doing so. If Contractor is restricted from legally notifying County of pending acquisitions/mergers, then it should notify County of the actual acquisitions/mergers as soon as the law allows and provide to County the legal framework that restricted it from notifying County prior to the actual acquisitions/mergers.
- 8.2.2** 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 the 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.
- 8.2.3** Any assumption, assignment, delegation or takeover of any of Contractor's duties, responsibilities or obligations or performance of same by any entity other than 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 the 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.

8.3 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.

8.4 BUDGET REDUCTIONS

In the event that County's Board adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by Contractor under this Agreement will also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor must continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

Contractor hereby acknowledges that 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, other principals, employees or independent contractors 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 owners, officers, partners, directors, other principals, employees or independent contractors 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 the aforementioned parties either be suspended, debarred, ineligible or excluded from securing Federally funded contracts. Contractor shall reimburse County for any and all associated costs (repayment, fine and/or penalty) that may be incurred by County as a result of inappropriate claims submitted by or on behalf of one of its staff or vendors that was excluded or suspended regardless of Contractor's prior knowledge of such exclusion or suspension. Failure by Contractor to comply with this provision shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

8.6 COMPLAINTS

Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.6.1 Within ten (10) business days of the Effective Date of this Agreement, Contractor shall provide to County with Contractor's policy for receiving, investigating and responding to user complaints.

8.6.2 County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.

- 8.6.3** If County requests changes to Contractor's policy, then Contractor shall make such changes and resubmit the plan within ten (10) business days to County for approval.
- 8.6.4** If, at any time, Contractor wishes to change its policy regarding complaints, Contractor shall submit proposed changes to County for approval prior to implementing the changes.
- 8.6.5** Contractor shall preliminarily investigate all complaints and notify County's Project Manager, or authorized designee, of the status of the investigation within fifteen (15) business days of receiving the complaint.
- 8.6.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted, which shall adhere to formal plans for specific actions and strict time deadlines.
- 8.6.7** Copies of all written responses shall be sent to County's Project Manager, or authorized designee, within fifteen (15) business days of being mailed to the complainant.

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

- 8.7.1** In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to, standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.

- 8.7.2** Contractor shall indemnify, defend, and hold harmless County, its officers, employees, agents and volunteers from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, its officers, employees, agents or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies or procedures, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.7.3 Facility Rules and Regulations

At any time that Contractor's agents, employees or subcontractors are at a Service Site or other County facility for provision of Services under this Agreement, Contractor and such persons shall be subject to the rules and regulations of that facility. County will provide or make available to Contractor a copy of rules and regulations pertaining to the facility upon execution of this Agreement and updates during its term. It is the responsibility of Contractor to acquaint all persons who may provide Services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees

or subcontractors from the provision of Services hereunder upon receipt of written notice from the Director that: (i) such employee or subcontractor has violated such rules or regulations, or (ii) such employee's or subcontractor's actions while at the County facility may adversely affect the delivery of health care services to County patients.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS – ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.

8.8.2 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations

8.8.3 Contractor certifies to County each of the following:

- a)** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- b)** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- c)** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- d)** Where problem areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables.

8.8.4 Contractor shall take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such actions

shall include, but are not limited to, employment, upgrading, demotion, transfer, recruitment and recruitment advertising, layoff and termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.8.5** Contractor certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation.
- 8.8.6** Contractor certifies and agrees that it, its affiliates, subsidiaries and holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.
- 8.8.7** Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.7 when so requested by County.
- 8.8.8** If County finds that any provisions of this Paragraph 8.7 have been violated, such violation shall constitute a material breach of this Agreement, upon which County may terminate or suspend this Agreement. While 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 Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 8.8.9** The parties agree that in the event that Contractor violates any of the anti-discrimination provisions of this Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) from Contractor for each such violation, pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating or suspending this Agreement.

8.9 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereinafter "Jury Service

Program”), as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

8.9.2 Written Employee Jury Service Policy

- a) Unless Contractor has demonstrated to 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 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 Contractor or that Contractor deduct from the Employee’s regular pay the fees received for jury service.
- b) For purposes of this Paragraph, “Contractor” means a person, partnership, corporation or other entity which has a contract with 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 contracts 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: (i) the lesser number is a recognized industry standard as determined by County, or (ii) 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 a subcontractor to perform Services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to such agreement.
- c) 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 Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to 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.

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

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with 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 other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the performance of work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such work or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

8.10.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that 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, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph 8.9 shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR ON A COUNTY RE-EMPLOYMENT 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 re-employment list during the term of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/ START PARTICIPANTS

8.12.1 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 County's Department of Public Social Services (hereinafter "DPSS") Greater Avenues for Independence (hereinafter "GAIN") Program or Skills and Training to Achieve Readiness for Tomorrow (hereinafter "START") Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/START participants by job category

to Contractor. Contractor shall report all job openings with job requirements to: gainstart@dpss.lacounty.gov and bservices@opportunity.lacounty.gov; and DPSS will refer qualified GAIN/START job candidates.

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

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

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

8.13.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

8.13.3 Non-responsible Contractor

County may debar Contractor if County's Board of Supervisors (hereinafter "Board") finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity or a nonprofit corporation created by 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 County or any other public entity.

8.13.4 Contractor Hearing Board

- a) If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

- b) The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or 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 Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- c) 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 Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- d) If 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. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (i) elimination of the grounds for which the debarment was imposed; (ii) a bona fide change in ownership or management; (iii) material evidence discovered after debarment was imposed; or (iv) any other reason that is in the best interests of County.
- e) The Contractor Hearing Board will consider a request for review of a debarment determination only where (a) Contractor has been debarred for a period longer than five (5) years; (b) the debarment has been in effect for at least five (5) years; and (c) 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.
- f) 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. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of Contractor.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.15 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.15.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts 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.

8.15.2 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 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding 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).

8.16 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.16.1 Contractor hereby warrants that neither it nor any of its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify the Director within ten (10) calendar days in writing of: (i) any event that would require Contractor or any aforementioned parties mandatory exclusion or suspension from participation in a Federally funded health care program; and (ii) any exclusionary or suspension action taken by

any agency of the Federal or State governments against any of the aforementioned parties barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

8.16.2 Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

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

8.17 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will monitor Contractor's performance under this Agreement, which will include assessing Contractor's compliance with all Agreement terms and conditions and performance standards, as further specified in Exhibit B (Statement of Work). Contractor deficiencies which 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 and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by 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 the Agreement.

8.18 DAMAGE TO COUNTY FACILITIES, BUILDINGS AND GROUNDS

8.18.1 Contractor shall repair, or cause to be repaired, at its own cost and expense, any and all damage other than normal wear and tear to County facilities, buildings or grounds caused by Contractor or employees, agents or subcontractors of Contractor during performance of Services under this Agreement. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.18.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.

8.18.3 County reserves the unilateral right to make any repairs which the Director or authorized designee determines, upon sole discretion, to be a public safety issue requiring immediate repair. County, at its option, will bill Contractor for the cost of such repairs and/or deduct the cost of such repairs from any outstanding amounts owed by County to Contractor.

8.19 EMPLOYMENT ELIGIBILITY VERIFICATION

8.19.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain from all employees performing work hereunder all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.19.2 Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, employees and volunteers from employer sanctions and any other liability which may be assessed against Contractor or County, or both, in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.20 COUNTERPARTS; ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Agreement and any Amendments or modifications thereto may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

County and Contractor hereby agree to regard appropriate facsimile or digital representations of original signatures of authorized officers of each party on the Agreement related documents, received via an electronic communicative (facsimile, email or electronic signature), as legally sufficient evidence that legally binding signatures have been affixed to such documents.

8.21 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 and its agents, officers, employees and volunteers 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 work performed by Contractor's employees, for which County may be found jointly or solely liable, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.22 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of Services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the

United States, or to any of their authorized representatives, the agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of Services provided 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 twelve (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.

8.23 PERFORMANCE DURING EMERGENCIES/FORCE MAJEURE EVENTS

Contractor recognizes that healthcare facilities maintained by County, including the Service Sites, provide care essential to the residents of the communities they serve and that these Service Sites may be of particular importance at the time of a fire, flood, epidemic, quarantine restriction, riot, insurrection, civil unrest, natural disaster/occurrence, strike, lockout, freight embargo or other similar event (hereinafter in this Paragraph each such event is referred to as an "emergency" or "force majeure event").

Notwithstanding any other provision of this Agreement, full performance by Contractor during any emergency is not excused if such performance remains physically possible, unless otherwise directed by County. Failure by Contractor to comply with this requirement shall be considered a material breach by Contractor, for which County may immediately terminate this Agreement.

In the event Contractor's failure to perform arises as a result of an emergency, 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 delays caused by such emergency/force majeure event.

8.24 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 Los Angeles County.

8.25 PROTECTION OF MEDICAL INFORMATION

8.25.1 Health Insurance Portability and Accountability Act Compliance

Contractor acknowledges the existence of the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA") and its implementing regulations. Contractor further acknowledges and agrees that, as a provider of Services under this Agreement, it has obligations with respect to the confidentiality, privacy and security of patient' medical information (also, "PHI" under HIPAA) and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

Contractor, therefore, agrees that (a) it and any staff providing Services under this Agreement shall preserve the confidentiality of PHI and shall comply with all other obligations and provisions relating to HIPAA that may be specified herein, including Exhibit A (Additional Provisions) to the Agreement, and (b) it shall indemnify and hold harmless County (including its officers, employees, agents and volunteers) for any damages to County that may be attributable to failure to preserve the confidentiality of PHI or to comply with the applicable obligations under HIPAA, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.25.2 Confidentiality of Medical Information Act

Contractor acknowledges that County is subject to the Confidentiality of Medical Information Act (hereinafter "CMIA"), which protects the confidentiality of individually identifiable medical information obtained by health care providers. As a contractor of County, Contractor, therefore, agrees to comply with the CMIA and shall not disclose any stored or accessible medical information regarding a patient, enrollee or subscriber.

8.25.3 Remedies

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.25 shall constitute a material breach of this Agreement, upon which County may suspend or terminate the Agreement for default, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 25 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

8.26 INDEPENDENT CONTRACTOR STATUS

8.26.1 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.

8.26.2 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. Consistent with the foregoing, County shall have no liability, and Contractor shall be solely and fully liable and responsible, to any of Contractor's employees, subcontractors or other persons providing work under this Agreement on behalf of Contractor, if any such person is unable to work or is required to stop working (permanently or temporarily) as a result of the person's exposure to an infectious disease or other hazard while performing work pursuant to the Agreement, even if such person complied with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including those relating to the work site. Nothing in this Paragraph is intended in any way to alter or release Contractor from obligation to obtain and maintain the requisite workers' compensation coverage pursuant to Paragraph 8.29.3 (Workers' Compensation and Employers' Liability) below.

8.26.3 Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely 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 work performed by or on behalf of Contractor pursuant to this Agreement.

8.26.4 Contractor shall adhere to the provisions of Paragraph 7.5 (Confidentiality).

8.27 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers (hereinafter "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 Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under the Agreement shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its reasonable judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

8.28 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, during the term of the Agreement, coverage satisfying the requirements specified in this Paragraph 8.28 and Paragraph 8.29 (Insurance Coverage) below. These minimum insurance coverage terms, types and limits (hereinafter "Required Insurance") also are in addition to and separate from any other contractual obligations imposed upon Contractor pursuant to this Agreement, including those that may be specified in Exhibit A (Additional Provisions) to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Agreement.

8.28.1 Evidence of Coverage and Notice to County

- a) Certificate(s) of insurance coverage (hereinafter "Certificate") satisfactory to County and a copy of an Additional Insured endorsement confirming County and its Agents (as defined below) has been given Insured status under Contractor's General Liability policy shall be delivered to County at the email address specified 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. 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 must match the name of 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 County's failure to obtain, nor 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 Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- e) Certificates and copies of any required endorsements shall be emailed to the County of Los Angeles, Department of Health Services, Contracts and Grants Division, as the Certificate Holder at:

cgcontractorinsurance@dhs.lacounty.gov

- f) 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 subcontractors which arises from or relates to this Agreement and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.28.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (hereinafter 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 County. County's and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed 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.

8.28.3 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 ten (10) days in advance of cancellation for non-payment of premium and thirty (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 this Agreement, in the sole discretion of County, upon which County may suspend or terminate this Agreement.

8.28.4 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 this Agreement, upon which County immediately may withhold payments due to Contractor and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, 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.

8.28.5 Insurer Financial Ratings

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

8.28.6 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.

8.28.7 Waivers of Subrogation

To the fullest extent permitted by law, 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. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.28.8 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 that each subcontractor complies with the Required Insurance provisions herein and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and written approval of any subcontractor request for modification of the Required Insurance.

8.28.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects 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.

8.28.10 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 no less than three (3) years following the Agreement's expiration, termination or cancellation.

8.28.11 Application of Excess Liability Coverage

Contractor 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.

8.28.12 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.

8.28.13 Alternative Risk Financing Programs

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. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.28.14 County Review and Approval of Insurance Requirements

County reserves the right to review and adjust the Required Insurance provisions based on County’s determination of changes in risk exposures.

8.29 INSURANCE COVERAGE

Contractor shall obtain and maintain for the term of the Agreement the insurance programs and coverages as specified in this Paragraph below.

8.29.1 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:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.29.2 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.

8.29.3 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 County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (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.

8.30 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees and agents that perform Services under this Agreement obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations and certificates required by law, which are applicable to their performance of Services hereunder. All such licenses, permits, registrations, accreditations and certifications relating to Services hereunder shall be made available by Contractor to County upon request, unless stated otherwise in the Statement of Work or instructed by County.

8.31 LIQUIDATED DAMAGES

8.31.1 If, in the judgment of the Director, or authorized designee, Contractor is deemed to be non-compliant with the terms or obligations assumed hereby, the Director, or authorized designee, upon sole discretion, in addition to and/or in lieu of other remedies provided herein, may withhold or deduct from the payments due to Contractor by County or otherwise withhold certain amount(s) for deficiently performed Services, including delays, as specified in this Paragraph below. A description of the deficiencies and the amount(s) to be deducted from payments due to Contractor or otherwise withheld will be provided to Contractor by the Director, or authorized designee, in a written notice describing the reasons for such action.

8.31.2 If the Director, or authorized designee, determines that there are deficiencies in the performance of this Agreement, which in the judgment of the Director, or authorized designee, are deemed correctable by Contractor within a reasonably short period of time, the Director, or authorized designee, will provide a written notice to Contractor to correct the deficiencies within a specified time frame. Should Contractor fail to correct deficiencies within such time frame, the Director may:

- a) To the extent applicable, deduct applicable pro rata portions of the amounts payable to Contractor; and/or
- b) Deduct Liquidated Damages

The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct the deficiencies within the specified time

frame. The parties, therefore, hereby agree that, under the current circumstances, a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, and Contractor shall be liable to County for liquidated damages in such amount. Any liquidated damages assessed by County under the Agreement shall be deducted or otherwise withheld from County's payments due to Contractor; and/or

- c) Upon five (5) days' prior notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and deduct from County's payments due to Contractor or otherwise withhold the total costs incurred by County for completion of the work by an alternate source, whether by County or a County engaged third party, as determined by County.

8.31.3 Assessment by County of liquidated damages as described in this Paragraph above shall not be construed as a penalty, but as adjustment of payment(s) to Contractor for County's recovery of the costs due to the failure of Contractor to complete or comply with the provisions of this Agreement.

8.31.4 This Paragraph shall not, in any manner, restrict or limit County's right to damages for any breach of this Agreement provided by law or as otherwise specified in the Agreement and shall not, in any manner, restrict or limit County's right to terminate this Agreement.

8.32 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline or Contractor provides at any time during the term of this Agreement the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality or district of the State at prices below those set forth in the Agreement, then such lower prices shall be immediately extended to County.

8.33 NON-EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.34 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.35 NOTICE OF DISPUTES

Contractor shall bring to the attention of County's Project Manager, or authorized designee, any dispute between County and Contractor regarding the performance of Services. If such individual is not able to resolve the dispute on behalf of County,

the dispute shall be escalated for resolution to County's Project Director, or authorized designee.

8.36 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 No. 1015.

8.37 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

Contractor shall notify and provide to its employees and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County and where and how to safely surrender a baby. Posters and other campaign materials are available on the Internet at babysafela.org.

8.38 NOTICES

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be mailed by first-class registered or certified mail, postage prepaid, or emailed to the applicable contacts identified in Exhibit E (County's Administration) and Exhibit F (Contractor's Administration). Contact information may be changed by either party by provision of a ten (10) days' prior written notice thereof to the other party.

8.39 PROHIBITION AGAINST INDUCEMENT AND PERSUASION

Notwithstanding any other provision of this Agreement, Contractor and County agree that, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.40 PUBLIC RECORDS ACT

8.40.1 Any documents submitted by Contractor; all information obtained in connection with County's right to audit and inspect Contractor's documents, books and accounting records provided pursuant to Paragraph 8.42 (Record Retention and Inspection/Audit Settlement) of this Agreement; as well as any documents that may have been submitted in response to a solicitation resulting in this Agreement, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements identified in the [California Government Code Section 7921 et seq.](#) (hereinafter "Public Records Act") and which are marked "trade secret", "confidential" or "proprietary". 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.

- 8.40.2** In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records and/or contents of any response to a solicitation resulting in this Agreement, which is marked as “trade secret”, “confidential” or “proprietary”, Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney’s fees, in action or liability arising under the Public Records Act, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.41 PUBLICITY

- 8.41.1** Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor’s need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Agreement within the following conditions:

- a) Contractor shall develop all publicity material in a professional manner; and
- b) During the term of this Agreement, Contractor shall not, and shall not authorize any others to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the Director, or authorized designee. County will not unreasonably withhold its consent.

- 8.41.2** Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 8.41 shall apply.

8.42 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

- 8.42.1** Contractor shall maintain and, upon County's request, provide accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement, during the term of the Agreement and for a minimum of five (5) years following its expiration or termination (hereinafter in this Paragraph 8.42 "retention period").

- 8.42.2** Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy and transcribe any pertinent transaction, activity or record relating to this Agreement, including (hereinafter for purposes of this Paragraph 8.42 "records"). All such records, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during

the term of this Agreement and for the duration of the retention period thereafter, unless County's written permission is given to dispose of any such records prior to such time. All such records shall be maintained by Contractor at a location in Los Angeles County, provided that if any such records are located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem and any other costs incurred by County to examine, audit, excerpt, copy and/or transcribe such records at such location outside of Los Angeles County.

In the event such records are maintained by Contractor at a location outside of Los Angeles County or if permitted by County, Contractor may satisfy the requirements of this Paragraph 8.42.2 by transmitting the records to County electronically, provided that (i) Contractor shall encrypt all records transmitted on networks outside of Contractor's control with Transport Layer Security (hereinafter "TLS") 1.2 or higher or Internet Protocol Security (hereinafter "IPSec"), at a minimum, cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer, or authorized designee, and (ii) all such records shall be rendered unusable, unreadable and indecipherable to unauthorized individuals. The parties may also agree on an alternate method of providing the requested records to County.

- 8.42.3** In the event that an audit of Contractor is conducted specifically regarding this Agreement by any Federal or State auditor or by any auditor or accountant employed by Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then Contractor shall file a copy of each such audit report, including Service Organization Controls (hereinafter "SOC1") Reports, with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.42.4** Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.42 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.
- 8.42.5** If, at any time during the term of this Agreement or during the retention period after the expiration or termination of this Agreement, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference shall be either: (a) prepaid by Contractor to County by cash payment upon demand or (b) at the sole option of County's Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. If such audit finds that County's dollar liability for such work is more than the payments made by County to Contractor for the work, then the difference shall be paid to Contractor by County by cash

payment, provided that in no event shall County's maximum obligation for the provision of such work exceed the funds appropriated by County for the work.

8.43 RECYCLED BOND PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.44 RESTRICTIONS ON LOBBYING

If any Federal funds are to be used to pay for 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 provided under this Agreement also fully complies with all such certification and disclosure requirements.

8.45 SUBCONTRACTING

8.45.1 County has relied, in entering into this Agreement, on the reputation of and on obtaining the personal performance of Contractor. Consequently, no performance by Contractor of this Agreement may be subcontracted **without the advance written approval of County**. Any attempt by Contractor to subcontract without the prior written consent of County may be deemed a material breach of this Agreement.

8.45.2 If Contractor desires to subcontract, Contractor shall provide to County the following:

- a) A detailed description of the work to be performed by the proposed subcontractor;
- b) A draft copy of the proposed subcontract, unless otherwise instructed by County; and
- c) Other pertinent information and/or certifications requested by County.

8.45.3 Notwithstanding any provision of this Agreement to the contrary, Contractor shall indemnify, defend and hold harmless County, including its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, defense costs and legal, accounting or other expert consulting or professional fees, in any way arising from or related to Contractor's use of any subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.45.4 Notwithstanding County's consent to subcontract, in addition to the provisions under the Agreement that specifically apply to subcontractors, Contractor shall ensure that each subcontractor engaged for provision of Services hereunder complies with the following provisions:

- a) Base Agreement – Paragraph 7.4 (Confidentiality)
- b) Base Agreement – Paragraph 8.6 (Compliance with Applicable Laws, Rules and Regulations)
- c) Base Agreement – Paragraph 8.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws)
- d) Base Agreement – Paragraph 9 (Conflict of Interest)
- e) Base Agreement – Paragraph 8.18 (Damage to County Facilities, Buildings and Grounds)
- f) Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- g) Base Agreement – Paragraph 27 (Indemnification)
- h) Base Agreement – Paragraph 28 (General Provisions for all Insurance Requirements)
- i) Base Agreement – Paragraph 29 (Insurance Coverage)
- j) Base Agreement – Paragraph 8.30 (Licenses, Permits, Registrations, Accreditations and Certificates)
- k) Base Agreement – Paragraph 41 (Publicity)
- l) Base Agreement – Paragraph 42 (Record Retention and Inspection/ Audit Settlement)
- m) Base Agreement – Paragraph 56 (Unlawful Solicitation)
- n) Base Agreement – Paragraph 63 (Prohibition from Participation in Future Solicitations)
- o) Exhibit A (Additional Provisions) – Attachment 1 (HIPAA Compliance)
- p) Exhibit D (Acknowledgement and Confidentiality Agreement)

8.45.5 Contractor shall ensure that each proposed subcontractor is appropriately qualified for provision of Services for which subcontractor is being engaged and shall remain fully responsible for all performances required of Contractor under this Agreement, including those that Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract. Furthermore, subcontracting of any Services under this Agreement shall not be construed to limit, in any way, Contractor's performance, obligations or responsibilities to County or limit, in any way, any of County's rights or remedies contained in this Agreement.

8.45.6 County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor is responsible to notify its subcontractors of this County right.

- 8.45.7** The Director, or designee, is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by County, Contractor shall forward a fully executed subcontract to County for its files.
- 8.45.8** Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents and successors in interest arising through Services performed hereunder, notwithstanding County's consent to subcontract.
- 8.45.9** Contractor shall obtain certificates of insurance, which establish that either (i) the proposed subcontractor maintains all the programs of insurance required under this Agreement, or (ii) Contractor has procured such insurance coverage for the proposed subcontractor. Before any subcontractor employee may perform any work hereunder, Contractor shall ensure delivery of all such documents to:

cgcontractorinsurance@dhs.lacounty.gov.

8.46 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 Paragraph 8.15 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which County may terminate this Agreement pursuant to Paragraph 8.49 (Termination for Default) and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.202](#).

8.47 TERMINATION FOR CONVENIENCE

County may terminate or suspend this Agreement, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination/suspension of work hereunder shall be effected by notice to Contractor specifying the extent to which performance of work is terminated/suspended and the date upon which such termination/suspension will become effective, which will be no less than ten (10) days after the notice is provided. Contractor shall be subject to the requirements of Paragraph 8.54 (Effect of Termination) in the event of County's termination and, to the extent applicable, suspension of this Agreement as provided herein.

8.48 TERMINATION FOR DEFAULT

- 8.48.1** County may, by written notice to Contractor, terminate the whole or any part of this Agreement if, in the judgment of the Director or designee:
- a)** Contractor has materially breached this Agreement;
 - b)** Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service or other work required under this Agreement; or

- c) Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement or of any obligations of this Agreement and, in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure; or
- d) Contractor or any of its personnel providing Services under the Agreement (i) fail to comply with any directions or instructions by or on behalf of County issued pursuant to the Agreement or (ii) may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

8.48.2 In the event that County terminates this Agreement in whole or in part as provided in Paragraph 8.49.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Paragraph.

8.48.3 Except with respect to defaults of any subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Paragraph 8.49.2 if its failure to perform this Agreement arises out of a force majeure event (as defined in Paragraph 23 (Performance During Emergencies/Force Majeure Events)); but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor and if such default arises out of causes beyond the control of both Contractor and subcontractor and without the fault or negligence of either of them, then Contractor shall not be liable for any such excess costs 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 the required performance schedule. As used in this Paragraph 8.49.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.48.4 If, after County has given notice of termination under the provisions of this Paragraph 8.49, it is determined by County that Contractor was not in default under the provisions of this Paragraph 8.49 or that the default was excusable under the provisions of Paragraph 8.49.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.48 (Termination for Convenience).

8.48.5 The rights and remedies of County provided in this Paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.49 TERMINATION FOR IMPROPER CONSIDERATION

- 8.49.1** 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 this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to Contractor's performance pursuant to 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.
- 8.49.2** Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made to the County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.
- 8.49.3** Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

8.50 TERMINATION FOR INSOLVENCY

- 8.50.1** County may terminate this Agreement forthwith in the event of the occurrence of any of the following:
- a) Insolventcy of Contractor**
Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (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;
 - b)** The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;
 - c)** The appointment of a Receiver or Trustee for Contractor; or
 - d)** The execution by Contractor of a general assignment for the benefit of creditors.
- 8.50.2** The rights and remedies of County provided in this Paragraph 8.51 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR NON-ADHERENCE TO COUNTY LOBBYIST ORDINANCE

Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#), retained by Contractor, shall fully comply with County's Lobbyist Ordinance under [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, in its sole discretion, immediately terminate or suspend this Agreement.

8.52 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until the Board appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.53 EFFECT OF TERMINATION

8.53.1 In the event of termination of this Agreement as provided hereunder or upon the expiration of the Agreement, as applicable, and unless otherwise specified by County in writing:

- a)** Contractor shall continue the performance of this Agreement to the extent not terminated;
- b)** Contractor shall cease to perform the Services being terminated on the date and to the extent specified in such notice and provide to County all Services and/or deliverables completed and those in progress on a media reasonably requested by County, if applicable;
- c)** Where such termination is not due to default or breach by Contractor, County will pay to Contractor all sums due for Services properly performed through the effective date of such expiration or termination;
- d)** Contractor shall return to County any monies paid in advance by County, yet unearned by Contractor, including any prepaid fees, no later than thirty (30) days after the date of County's termination of this Agreement, whether for convenience or any default or breach hereunder; and
- e)** Contractor shall promptly return to County any and all of County's confidential information that relates to the portion of the Agreement terminated by County on a media reasonably requested by County.

8.53.2 After receipt of a notice of termination and except as otherwise directed by County, Contractor shall immediately:

- a)** Stop work under this Agreement, as identified in such notice;
- b)** Transfer title and deliver to County all completed work and work in process; and

- c) Complete performance of such part of the work as shall not have been terminated by such notice.

8.53.3 Following expiration or any termination of this Agreement, Contractor shall maintain all material including books, records, documents and any other evidence bearing on the costs and expenses of Contractor under this Agreement, in accordance with Paragraph 8.42 (Record Retention and Inspection/Audit Settlement).

8.53.4 Expiration or termination of this Agreement for any reason will not release either party from any liabilities or obligations set forth in this Agreement, which (i) the parties have expressly agreed in writing will survive any such expiration or termination, or (ii) which remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.54 INTENTIONALLY OMITTED

8.55 VALIDITY AND ENFORCEABILITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, unenforceable or illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, and any part of the Agreement held to be invalid or unenforceable shall be revised so as to make it valid and enforceable, consistent with the intent of the parties expressed in that provision. The rights and remedies provided herein shall not be exclusive and are in addition to any other rights and remedies in law or equity.

8.56 WAIVER

No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or 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 8.58 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.57 WARRANTY AGAINST CONTINGENT FEES

8.57.1 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 a 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.

8.57.2 For breach of this warranty, County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the amounts due to Contractor or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

8.58 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 8.58.1** 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.
- 8.58.2** 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 Agreement will maintain compliance, with [Los Angeles Code Chapter 2.206](#).

8.59 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure by Contractor to maintain compliance with the requirements set forth in Paragraph 8.16 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.206](#).

8.60 TIME OFF FOR VOTING

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](#)). No less than ten (10) days before every statewide election, 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 such [Section 14000](#).

8.61 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

- 8.61.1** Contractor acknowledges that County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.
- 8.61.2** If Contractor or a member of Contractor's staff is convicted of a human trafficking offense, County shall require that Contractor or such member of Contractor's staff be removed immediately from performing services under this Agreement. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.
- 8.61.3** Disqualification of any member of Contractor's staff pursuant to this Paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.62 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

Contractor shall comply and ensure that all of its subcontractors comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Employment Discrimination: Conviction History. Contractor's violation of this Paragraph of the Agreement may constitute a material breach of the Agreement, upon which County may, in its sole discretion, terminate this Agreement.

8.63 COMPLIANCE WITH COUNTY POLICY OF EQUITY

Contractor acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (hereinafter "CPOE") (<https://ceop.lacounty.gov/>). Contractor further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Contractor, on behalf of itself, its employees and subcontractors, acknowledges and certifies receipt and understanding of the CPOE. Failure by Contractor, its employees or its subcontractors to uphold County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Contractor to termination of contractual agreements as well as civil liability.

8.64 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATIONS

A bidder, proposer or other respondent to a County solicitation or Contractor, as applicable, or a subsidiary or subcontractor thereof (hereinafter for purposes of this provision "Vendor"), is prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has provided advice or consultation for the solicitation. A Vendor is also prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has developed or prepared any of the solicitation materials on behalf of County. A violation of this provision shall result in the disqualification of the Vendor from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration or other termination of this Agreement.

8.65 INJURY AND ILLNESS PREVENTION PROGRAM

Contractor will be required to comply with the State of California's Cal OSHA's regulations. [California Code of Regulations Title 8 Section 3203](#) requires all California employers to have a written, effective Injury and Illness Prevention Program (hereinafter "IIPP") that addresses hazards pertaining to the particular workplace covered by such program.

8.66 CAMPAIGN CONTRIBUTION PROHIBITION

Pursuant to California [Government Code Section 84308](#), Contractor and its agents and subcontractors are prohibited from making a contribution of more than \$250 to any County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement.

By executing this Agreement, Contractor represents and warrants that neither it nor any of its agents or subcontractors shall make a contribution of more than \$250

to any County officer for twelve (12) months following the Effective Date of the Agreement.

Failure to comply with the provisions of California [Government Code Section 84308](#) and of this Paragraph may be a material breach of the Agreement as determined in the sole discretion of County.

8.67 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

8.68 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 Contractor and other County contractors to complete Exhibit G (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect County and its taxpayers. Any contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either Agreement termination or debarment proceedings or both. (County Code Chapter 2.202).

8.69 INTELLECTUAL PROPERTY INDEMNIFICATION

8.69.1 Contractor shall indemnify, defend and hold harmless County from and against any and all liability, damages, costs, losses, fees and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and/or utilization of Contractor's Services under this Agreement, including any products of or tools or methodologies used in the provision of Services hereunder, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.69.2 In the event any product of or tool or methodology used in the provision of any Services hereunder becomes the subject of any complaint, claim or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined or subjected to a risk of damages, Contractor, at its sole cost and expense, and provided that County's continued use of Contractor's Services is not materially impeded, shall do one or any of the following:

- a) Procure for County all rights to continued use of the questioned product, tool or methodology; or
- b) Replace the questioned product, tool or methodology with a non-questioned item; or
- c) Modify the questioned product, tool or methodology to render it free of claims.

8.70 SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Paragraphs and Exhibits shall survive any termination or expiration of this Agreement:

- Base Agreement – Paragraph 5.3 (No Payment for Services Provided Following Expiration/Termination of Agreement)
- Base Agreement – Paragraph 7.4 (Confidentiality)
- Base Agreement – Paragraph 8.7 (Compliance with Applicable Laws, Rules and Regulations)
- Base Agreement – Paragraph 8.24 (Governing Law, Jurisdiction and Venue)
- Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- Base Agreement – Paragraph 8.27 (Indemnification)
- Base Agreement – Paragraph 8.28 (General Provisions for All Insurance Coverage)
- Base Agreement – Paragraph 8.29 (Insurance Coverage)
- Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)
- Paragraph 8.46 (Termination For Breach Of Warranty To Maintain Compliance With County's Child Support Compliance Program)
- Paragraph 8.64 (Prohibition from Participation in Future Solicitations)
- Paragraph 8.70 (Survival)
- Exhibit A (Additional Provisions)
- Exhibit D (Acknowledgement and Confidentiality Agreement)

**AGREEMENT
FOR
SECURITY GUARD SERVICES**

IN WITNESS WHEREOF, Contractor has executed this Agreement or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

Universal Protection Service, LP DBA
Allied Universal Security Services

By Steve Claton Digitally signed by Steve Claton
Date: 2026.04.29 13:53:54
-07'00'
Signature

Steve Claton
Printed Name
Regional President
Title

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

EDWARD YEN
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By Patrice Salseda Digitally signed by Patrice
Salseda
Date: 2026.04.30 16:00:59
-07'00'
PATRICE SALSEDA
Principal Deputy County Counsel

**LOS ANGELES COUNTY
DEPARTMENT OF HEALTH SERVICES**



SECURITY GUARD SERVICES

**EXHIBIT A
ADDITIONAL PROVISIONS**

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ATTACHMENTS

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Attachment 6	Payroll Statement of Compliance

EXHIBIT A

ADDITIONAL PROVISIONS

1. OVERVIEW

This Exhibit A (Additional Provisions) to the Agreement, including any attachments hereto (hereinafter also “Additional Provisions”), sets forth the terms and conditions for provision of Services pursuant to the Agreement. These Additional Provisions are in addition to the terms and conditions of the Base Agreement under the Agreement.

Unless otherwise specified herein, those terms and phrases with the initial letter capitalized that are not expressly defined herein shall have the meanings given to such in the Base Agreement under the Agreement.

2. INFORMATION PRIVACY AND SECURITY

2.1 COUNTY INFORMATION

By executing the Agreement, Contractor (on behalf of itself and any and all employees, agents and subcontractors) (i) acknowledges and agrees that it will not and may not store, maintain or access on or from non-County equipment/devices any County data or information for provision of Services under the Agreement, and (ii) certifies its compliance with the requirements of this Paragraph 2 prior to commencement of Services hereunder and for as long as Contractor or any of its employees, agents or subcontractors is in possession of any County data or information, including patient, personally identifiable and any other sensitive information (hereinafter “County Information”).

2.2 HIPAA OBLIGATIONS

Contractor acknowledges that County is subject the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (hereinafter “HIPAA”) and regulations promulgated thereunder, including the Privacy, Security, Breach Notification and Enforcement Rules at 45 Code of Federal Regulations (hereinafter “C.F.R.”) Parts 160 and 164 (hereinafter, collectively, “HIPAA Rules”). As a provider of Services for County, Contractor agrees to the applicable provisions relating to HIPAA as specified in Attachment 1 (HIPAA Compliance), attached hereto.

2.3 SECURITY AND PRIVACY INCIDENTS

In the event of a security or privacy Incident (as defined below), Contractor shall:

- Promptly notify the DHS Chief Information Security Officer, the DHS Information Security Officer and the DHS Chief Privacy Officer of any suspected, attempted, successful or imminent threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification or destruction (hereinafter “Incident”) of County Information within 24 hours of detection. All notifications shall be submitted via encrypted email and telephone to the following:
 - **DHS Chief Information Security Officer and DHS Chief Privacy Officer** – via DHS Enterprise Help Desk at helpdesk@dhs.lacounty.gov and by phone at (323) 409-8000
 - **DHS Chief Information Security Officer** – Jeff Zito at jzito@dhs.lacounty.gov
 - **DHS Chief Privacy Officer** – Jennifer Papp, RD, CHPC at jpapp@dhs.lacounty.gov

- **Departmental (DHS) Information Security Officer** – Vahe Haratounian at vharatounian@dhs.lacounty.gov
- Include the following information in all notices:
 - The date and time of discovery of the Incident;
 - The approximate date and time of the Incident;
 - A description of the type of County Information involved in the reported Incident;
 - A summary of the relevant facts, including a description of measures taken to respond to and remediate the Incident, and any planned corrective action(s) as they are identified; and
 - The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the Incident.
- Cooperate with County to investigate the Incident and seek to identify the specific County Information involved in the Incident as requested by County, without charge, unless the Incident was caused by the acts or omissions of County. As information about the Incident is collected or otherwise becomes available to Contractor, and unless prohibited by law, Contractor shall provide information regarding the nature and consequences of the Incident that are reasonably requested by County to allow County to notify impacted individuals, government agencies and/or credit bureaus.
- Assist and cooperate with forensic investigators, County, law firms and/or law enforcement agencies at the direction of County to help determine the nature, extent and source of any Incident and reasonably assist and cooperate with County on any additional disclosures that County is required to make as a result of the Incident.

Notwithstanding any other provisions in the Agreement, Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by Contractor's weaknesses, negligence, errors or lack of information security or privacy controls or provisions or otherwise failure to comply with any of the terms or conditions of this Paragraph 2.

2.4 DATA DESTRUCTION

Contractor that has maintained, processed or stored on non-County equipment/devices any County data and/or information, implied or expressed, has the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization, available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

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

Contractor must certify that any County data stored on purchased, leased or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers and/or workstations, are destroyed consistent with the current

National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was properly destroyed and is unusable, unreadable, and/or undecipherable.

2.5 EQUITABLE REMEDIES

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 2 shall constitute a material breach of the Agreement, upon which County may suspend or terminate for default the Agreement, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 2 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

2.6 PRIVACY AND SECURITY INDEMNIFICATION

Notwithstanding any provision of the Agreement to the contrary, whether expressly or by implication, Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, including its officers, employees, agents and subcontractors, to comply with (i) the provisions of this Paragraph 2 or (ii) any Federal and/or State laws in connection with accessing, collecting, processing, storing, disclosing or otherwise using any County Information.

Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 2 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

2.7 SURVIVAL

The provisions of this Paragraph 2 shall survive the expiration or termination of the Agreement.

3. INSURANCE REQUIREMENTS

The insurance coverage requirements set forth in Attachment 2 (Additional Insurance Requirements) to this Exhibit A supplement and/or replace those specified in the Base Agreement under the Agreement.

4. CONTRACTOR PERSONNEL

4.1 MEDICAL HEALTH SCREENING

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that all of Contractor's staff that may provide Services at any County healthcare facility or site (hereinafter, for purposes of this Paragraph, "healthcare

campus") pursuant to the Agreement, prior to commencement of such Services at a healthcare campus, shall have undergone and successfully passed a current health screening consistent with the DHS policy and the requirements of Attachment 3 (Medical Health Screening), attached hereto (hereinafter "Medical Health Screening"). The cost of Medical Health Screening shall be borne by Contractor.

4.2 INFECTION CONTROL

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that any of Contractor's staff entering any of County facilities or coming into contact with the public shall comply with and strictly adhere to the applicable County Infection Control and Employee Health Guidelines, provided or made available by County, to prevent the transmission of infections and to ensure prompt and appropriate treatment of Contractor's staff in the event of exposure. If any member of Contractor's staff is diagnosed with having an infectious disease, of which Contractor is made aware, and such person has had contact with a County patient or a member of the public during the usual incubation period for such infectious disease, then Contractor shall report such occurrence to County's Project Manager, or authorized designee for each site where Services were provided by such staff, within twenty-four (24) hours of becoming aware of the diagnosis. Notwithstanding the foregoing, Contractor shall not allow any member of Contractor's staff to come onto County premises if Contractor is aware that such person is diagnosed with having an infectious disease.

For purposes of the Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases (California Code of Regulations, Title 17).

4.3 BACKGROUND AND SECURITY INVESTIGATIONS

Unless otherwise instructed by County or specified in the Statement of Work, all Contractor personnel providing Services under the Agreement shall undergo and pass, to the satisfaction of County, a background investigation as a condition to beginning and continuing to provide any such Services. County will use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. County may elect to perform the background check.

County may request that Contractor's staff member be immediately prohibited from providing Services under the Agreement at any time during the term of the Agreement, if such staff member does not pass a background investigation to the satisfaction of County or whose background or conduct is incompatible with any Service Site access requirements. County will not provide to Contractor or to Contractor's staff any information obtained through County conducted background clearance.

County may also immediately, at its sole discretion, deny or terminate any Service Site access to Contractor's staff that do not pass such investigation(s) to the satisfaction of County or whose background or conduct is incompatible with such Service Site's access requirements.

Disqualification, if any, of Contractor's staff pursuant to this Paragraph 4.3 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of the Agreement.

The provisions of this Paragraph 4.3 shall also apply to subcontractors of Contractor.

4.4 CONTRACTOR'S STAFF IDENTIFICATION

Contractor and any of its staff that may be assigned to or may provide Services at any of County's facilities or other sites, including Services Sites, are required to have a County identification (hereinafter "ID") badge, which they shall wear or otherwise visibly display at all times while at such sites. Contractor shall bear all cost and expense of the badging. Contractor shall ensure that all staff have obtained a County ID badge before they are assigned to or may commence work at any County facility or other site. Contractor staff may be asked by a County representative to leave a County facility or other site if they do not have the proper County ID badge on their person.

- 4.4.1 Contractor shall notify County within one (1) business day when staff has terminated employment with Contractor or is otherwise terminated from working under this Agreement and shall return such staff's County ID badge to County on the next business day following the termination.
- 4.4.2 If County requests removal of Contractor's staff from working on this Agreement, Contractor shall retrieve and return such staff's County ID badge to County on the next business day following the removal.

5. PROPRIETARY CONSIDERATIONS

5.1 LICENSE

Contractor hereby grants to County, its authorized users and patients a license to use the Services, including any software, equipment, designs, plans, technologies and/or any other intellectual property that may be utilized for provision of Services and/or accessed by County or its patients, together with related documentation and other specifications (hereinafter "License"), as further specified in Attachment 5 (License and Proprietary Rights) attached hereto.

5.2 OWNERSHIP

All data provided by County, including its users and patients, is and shall remain the property of County and is subject to the data destruction and/or return requirements set forth in Attachment 4 (Information Security and Privacy Requirements) attached hereto or Paragraph 2 (Information Privacy and Security) above, as applicable.

Further, Contractor agrees that County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities and tools (hereinafter "materials") which are originated or created specifically for County through Contractor's work pursuant to the Agreement. Contractor, therefore, for valuable consideration herein provided, hereby assigns and transfers to County all of Contractor's right, title and interest in and to all such materials, provided that notwithstanding such County ownership, Contractor may retain possession of all working papers prepared by Contractor. Upon request of County, Contractor shall execute all documents and perform all other necessary acts to assign and transfer to and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights, which arise pursuant to Contractor's work under the Agreement.

6. INTENTIONALLY OMITTED

7. COMPLIANCE WITH COUNTY'S LIVING WAGE PROGRAM

7.1 LIVING WAGE PROGRAM

This Agreement is subject to the provisions of County's ordinance entitled "Living Wage Program" as codified in [Sections 2.201.010 through 2.201.100 of the Los Angeles County Code](#).

7.2 PAYMENT OF LIVING WAGE RATES

- 7.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not an "Employer" as defined under the Program ([Section 2.201.020 of the County Code](#)) or that Contractor qualifies for an exception to the Living Wage Program ([Section 2.201.090 of the County Code](#)), Contractor must pay its employees for the employees' services provided to County no less than (i) the applicable hourly living wage rate published by County (hereinafter "Living Wage Rate") or (ii) to the extent applicable, the applicable minimum wage rate for health care employees covered under SB 525 (hereinafter "SB 525 Wage Rate") as set forth in Paragraph 9 (Minimum Wage for Health Care Employees), whichever is greater, including, without limitation, "Travel Time" as defined below (hereinafter, for purposes of this Paragraph 7 "Minimum Wage Rate").
- 7.2.2 For purposes of this Paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor will be subject to the provisions of this Paragraph. The provisions of this Paragraph will be inserted into any such subcontract and a copy of the Living Wage Program must be attached to the subcontract. "Employee" means any individual, who is an employee of Contractor under the laws of California, and who is providing full-time or part-time services to Contractor, which are provided to County under the Agreement. "Full-time" means a minimum of forty (40) hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than thirty-five (35) hours worked per week will not, in any event, be considered full-time.
- 7.2.3 If Contractor is required to pay a living wage when the Agreement commences, Contractor must continue to pay a living wage for the entire term of the Agreement, including any option period(s).
- 7.2.4 If Contractor is not required to pay a living wage when the Agreement commences, Contractor will have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor must immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for the exception to the Living Wage Program. In either event, Contractor will immediately be required to commence paying the living wage and will be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for the exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor will immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.
- 7.2.5 For purposes of Contractor's obligation to pay its employees the applicable hourly living wage rate under this Agreement, "Travel Time" will have the following two meanings, as

applicable: (1) with respect to travel by an employee that is undertaken in connection with this Agreement, Travel Time will mean any period during which an employee physically travels to or from a County facility if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time; and (2) with respect to travel by an employee between County facilities that are subject to two different agreements between Contractor and County (of which both agreements are subject to the Living Wage Program), Travel Time will mean any period during which an employee physically travels to or from, or between such County facilities if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time.

7.3 CONTRACTOR'S SUBMITTAL OF CERTIFIED MONITORING REPORTS

Contractor must submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports must list all of Contractor's employees during the reporting period. The certified monitoring reports must also verify the number of hours worked and the hourly wage rate paid, for each of its employees. All certified monitoring reports must be submitted on the form(s) under Attachment 6 (Payroll Statement of Compliance) hereto or other County approved form(s) containing the information specified above. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor must promptly provide such information. Contractor, through one of its officers, must certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

7.4 CONTRACTOR'S ONGOING OBLIGATION TO REPORT LABOR LAW-PAYROLL VIOLATIONS AND CLAIMS

During the term of the Agreement, if Contractor becomes aware of any labor law-payroll violation or any complaint, investigation or proceeding (hereinafter "claim") concerning any alleged labor law-payroll violation (including, but not limited to, any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors and/or unlawful employment discrimination), Contractor must immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law-payroll violation or claim arising out of Contractor's Agreement with County, but instead applies to any labor law-payroll violation or claim arising out of any of Contractor's operations in California.

7.5 COUNTY AUDITING OF CONTRACTOR RECORDS

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at Contractor's place of business, any of Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County must have access to all such records during normal business hours for the entire period that records are to be maintained.

7.6 NOTIFICATIONS TO EMPLOYEES

Contractor must place County-provided living wage posters at each of Contractor's places of business and locations where Contractor's employees are working. Contractor must also distribute County-provided notices to each of its employees at least once per year.

Contractor must translate posters and handouts into Spanish and any other language spoken by a significant number of Contractor's employees.

7.7 ENFORCEMENT AND REMEDIES

If Contractor fails to comply with the requirements of this Paragraph, County will have the rights and remedies described in this Paragraph in addition to any rights and remedies provided by law or equity.

7.7.1 REMEDIES FOR SUBMISSION OF LATE OR INCOMPLETE CERTIFIED MONITORING REPORTS

If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding of Payment

If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of one hundred dollars (\$100) per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.2 REMEDIES FOR PAYMENT OF LESS THAN REQUIRED LIVING WAGE

If Contractor fails to pay any employee at least the applicable hourly living wage rate, such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding Payment

If Contractor fails to pay one or more of its employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its employees for a given pay period and the amount actually paid to the employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to pay any of its employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against Contractor liquidated damages of fifty dollars (\$50) per employee per day for each and every instance of an underpayment to an employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to pay any of its employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.3 DEBARMENT

In the event Contractor breaches a requirement of this Paragraph, County may, in its sole discretion, bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, in accordance with [Los Angeles County Code, Chapter 2.202](#), Determinations of Contractor Non-Responsibility and Contractor Debarment.

7.8 USE OF FULL-TIME EMPLOYEES

With the exception of Contingency Guards, Contractor shall assign and use full-time employees of Contractor to provide services under the Agreement, unless Contractor can demonstrate to the satisfaction of County that it is necessary to use staff that are not full-time employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. Contractor agrees not to, under any circumstance, assign or use for provision of services under the Agreement any staff that are not full-time employees of Contractor, unless and until County has provided written authorization for use of such staff. Contractor submitted with its proposal a full-time employee staffing plan. If Contractor changes its full-time employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

7.9 CONTRACTOR RETALIATION PROHIBITED

Contractor and/or its employees must not take any adverse action which would result in the loss of any benefit of employment, any contract benefit or any statutory benefit for any employee, person or entity who has reported Contractor's violation of the Living Wage

Program to County or to any other public or private agency, entity or person. Any violation of the provisions of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.10 CONTRACTOR STANDARDS

During the term of the Agreement, Contractor will maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested by County, Contractor shall demonstrate to the satisfaction of County that Contractor is compliant with this requirement.

7.11 EMPLOYEE RETENTION RIGHTS

7.11.1 Contractor must offer employment to all retention employees who are qualified for such jobs. For purposes of this Paragraph, a "retention employee" is an individual:

- a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
- b. Who has been employed by a contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the effective date of this Agreement, which predecessor contract was terminated by the County prior to its expiration; and
- c. Who is or will be terminated from their employment as a result of the County entering into this Agreement.

7.11.2 Contractor will not be required to hire a retention employee who:

- a. Has been convicted of a crime related to the job or his or her performance; or
- b. Fails to meet any other County requirement for employees of contractors.

7.11.3 Contractor will not terminate a retention employee for the first ninety (90) days of employment under the Agreement, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

7.12 NEUTRALITY IN LABOR RELATIONS

Contractor shall not use any consideration received under the Agreement to hinder or to further organization of or collective bargaining activities by or on behalf of Contractor's employees, except that this restriction will not apply to any expenditure made in the course of good faith collective bargaining, made pursuant to obligations incurred under a bona fide collective bargaining agreement or which would otherwise be permitted under the provisions of the National Labor Relations Act.

8. EQUITABLE ACCESS TO HEALTHCARE FOR CONTRACTED EMPLOYEES

On April 4, 2023, the Board passed the Equitable Access to Healthcare for Contracted Employees Motion (hereinafter "Motion") directing DHS, in collaboration with other County departments, to:

1. Develop and implement a policy mandating that all new Proposition A contracts for security, environmental, including janitorial, and food services for County hospitals managed by DHS, including those provided under the Agreement, require 100% employer-paid healthcare premiums for employees, who work 30 hours or more per week, at the minimum actuarial value of the Affordable Care Act (hereinafter "ACA")

individual gold plan coverage (hereinafter "Gold Plan"), with the implementation deadline of December 31, 2023; and

2. Require Labor Peace Agreements for all such Proposition A contracts.

8.1 EMPLOYER PAID HEALTHCARE PREMIUMS

Contractor hereby agrees to comply with the Motion during the term of the Agreement and to provide 100% employer-paid healthcare premiums for Contractor's employees, who work 30 hours or more per week and elect to accept the healthcare benefits offered by Contractor, at the minimum actuarial value of the ACA Gold Plan at no cost to the employees.

8.2 LABOR PEACE AGREEMENTS

- 8.2.1 Contractor shall implement and shall ensure that each subcontractor implement, prior to providing any Services under the Agreement, a Labor Peace Agreement, which shall be maintained for the term of the Agreement. As used herein, a "Labor Peace Agreement" is a written agreement between Contractor or any of its subcontractors and a labor organization representing their employees that contains a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppage, boycott or any other economic interference with the Services provided for County under the Agreement.
- 8.2.2 Contractor, therefore, represents and warrants that (i) it and each of its subcontractors that may provide Services under the Agreement shall execute prior to provision of Services and maintain during the term of the Agreement a Labor Peace Agreement with any labor organization representing or seeking to represent the employees of Contractor or any such subcontractor; (ii) it shall have submitted to County a copy of evidence of each such executed Labor Peace Agreement; and (iii) such Labor Peace Agreements shall prohibit during the term of the Agreement labor organizations and their members from engaging in picketing, work stoppages, boycotts or any other economic interference with the business of County, including County facilities and other Service Sites serviced under the Agreement.
- 8.2.3 Contractor acknowledges and agrees (i) that failure by Contractor or any of its subcontractors to enter into and maintain during the term of the Agreement a Labor Peace Agreement shall be deemed a material breach of the Agreement, entitling County to terminate the Agreement for default; and (ii) that it would be impracticable and extremely difficult to ascertain the actual damages resulting from such breach, also entitling the County to liquidated damages in accordance with the provisions of the Agreement in addition to any other rights and remedies otherwise available at law or in equity.
- 8.2.4 Notwithstanding any breach of a Labor Peace Agreement by a labor organization representing or seeking to represent the employees of Contractor or any subcontractor that may provide Services under the Agreement or by any of such labor organization's members, Contractor shall remain fully responsible for meeting the requirements of the Agreement, including supplying sufficient personnel for provision of Services thereunder.
- 8.2.5 The requirements of this provision apply to the extent the employees of Contractor and/or any of its subcontractors are represented by a labor organization as of the Effective Date or during the term of the Agreement.

9. MINIMUM WAGE FOR HEALTH CARE EMPLOYEES

The Services provided under this Agreement may be subject to the requirements of the California Senate Bill (hereinafter "SB") 525, as codified under California Labor Code Section 1182.14 et seq. and elsewhere under California law. To the extent SB 525 is applicable to Contractor and the Services provided hereunder, Contractor agrees to comply with the requirements of SB 525, as such may be amended, and, during the term of the Agreement, pay its employees, at a minimum, the applicable minimum SB 525 Wage Rate (defined above), including for provision of Services under the Agreement. If Contractor is also subject to the living wage requirements specified under Paragraph 7 (Compliance with County's Living Wage Program), if any, then the Minimum Wage Rate under such Paragraph 7 (Compliance with County's Living Wage Program) shall be the greater of the applicable Living Wage Rate (defined above) and the SB 525 Wage Rate, if applicable.

10. COMPLIANCE WITH COUNTY'S ADVANCING HIGH ROAD JOBS INITIATIVE

The County has established a "Advancing High Road Jobs" Initiative (link: [Advancing High Road Jobs by Harnessing the County's Procurement Power as a Market Participant Motion](#)) to create opportunities for full-time employment not just within the County but in the private sector. This Initiative is focused on hiring qualified employees, and providing high road jobs, from the County's High-Road Training Partnership ("H RTP") programs and other pre/apprenticeship and job training programs, including County pipeline programs like Preparing Los Angeles for County Employment ("PLACE") and the Delete the Divide Internship, that are part of a network of America's Job Centers of California ("AJCCs"), overseen by County's Department of Economic Opportunity ("DEO"), working together to help Los Angeles County residents succeed in the job market. They achieve this by providing education, training, career counseling, and support services funded through the Workforce Innovation and Opportunity Act ("WIOA"). WIOA focuses on assisting adults, dislocated workers, and youth in finding employment. The County's AJCCs play a key role by funding training programs and state certifications, equipping participants with the skills and qualifications needed to secure jobs. The County's AJCC information can be found at: [Los Angeles County Business Development Services, Business Resources](#).

- 10.1 In support of this initiative, throughout the Initial Term of the Agreement, County has established a 20% hiring goal to such qualified employees in County's AJCCs. Contractor must consider hiring such qualified employees for open opportunities as they become available.
- 10.2 To obtain the list of qualified security employees that are certified and trained by County in the AJCCs, Contractor will be provided direct access to the AJCC referral portal where County will refer qualified security employees to Contractor.
- 10.3 Within thirty (30) calendar days after the Effective Date of the Agreement, Contractor must provide to County its comprehensive annual hiring plan that outlines its commitment to achieve the 20% hiring goal throughout the Initial Term of the Agreement to such qualified employees in County's AJCCs.
- 10.4 Contractor must submit a semi-annual hiring report. The report must include, at a minimum, a description of the position(s) that was fulfilled, number of programs

participants hired, and program name. The semi-annual report must be submitted electronically to the designated County personnel.

ATTACHMENT 1
HIPAA COMPLIANCE

ATTACHMENT 1.3

INADVERTENT ACCESS

Contractor expressly acknowledges and agrees that the provision of Services under the Agreement does not require or permit access by Contractor or any of its officers, employees or agents to any patient medical records/patient information, including PHI as defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Accordingly, Contractor shall instruct its officers, employees and agents that they are not to pursue or gain access to patient medical records/patient information, including PHI, for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that in the course of the provision of Services hereunder, Contractor or its officers, employees or agents, may have inadvertent access to patient medical records/patient information, including PHI. Contractor understands and agrees that neither it, nor its officers, employees or agents are to take advantage of such access for any purpose whatsoever.

Additionally, in the event of such inadvertent access, Contractor and its officers, employees and agents shall maintain the confidentiality of any information obtained and shall, immediately or upon the first reasonable opportunity to do so, notify County's Project Manager or the equivalent identified in the Agreement that such access has been gained. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all liability, including but not limited to demands, claims, actions, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's or its officers', employees' or agents' access to patient medical records/patient information, including PHI. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

ATTACHMENT 2
ADDITIONAL INSURANCE REQUIREMENTS

ATTACHMENT 2.1

ADDITIONAL INSURANCE REQUIREMENTS

In addition to, and subject to, the requirements and any other provisions of the Agreement relating to insurance and/or in lieu of the insurance programs and coverages specified in the Base Agreement under the Agreement, Contractor shall provide and maintain for the term of the Agreement and thereafter, to the extent required herein, the insurance coverage(s) specified below. As used herein, the term "County and its Agents" shall mean and refer to the County of Los Angeles and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers. Contractor acknowledges and agrees that the coverages required hereunder shall not in any way limit the liability of Contractor.

1. SEXUAL MISCONDUCT LIABILITY COVERAGE

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, person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

ATTACHMENT 3

MEDICAL HEALTH SCREENING

All Contractor personnel that may provide services pursuant to the Agreement shall complete to the satisfaction of County a medical health screening to determine if the person meets the medical criteria and immunizations standards established for the prospective job classification/assignment before commencing any services under the Agreement. Contractor shall use the DHS forms and medical health screening methodology provided or requested by County.

The medical health screening shall be performed by a physician or other licensed healthcare professional ("PLHCP") authorized to perform such screening, with all costs and expenses of such to be borne by Contractor. County, at its sole option, may also elect to have some of the assessments and screening services of Contractor personnel to be provided by DHS Employee Health Services ("EHS"). Upon such election by County, Contractor personnel shall be required to present a written authorization from County prior to obtaining any screening services from DHS EHS. DHS, at its option, will charge Contractor for the costs of any such services provided by DHS EHS or deduct the costs from the amounts owed by County to Contractor for services provided by Contractor under the Agreement, regardless of whether Contractor personnel pass or fail the screening.

Each member of Contractor personnel shall provide DHS EHS with documentation of health screenings and evidence of the absence of communicable diseases using County's "Health Clearance E2" forms. The forms must be signed by a healthcare provider attesting that all information is true and accurate, OR, in the alternative, such member of Contractor personnel may supply all required source documents to DHS EHS for verification.

Contractor must provide DHS EHS with the source documents for each member of Contractor personnel for review within four (4) hours of a request. Failure to provide the appropriate source documentation of health screenings/clearance will result in immediate release of such member of Contractor personnel from assignment without reinstatement until the person is compliant. Contractor shall maintain all source documents pertaining to all Contractor personnel's pre-employment and annual health evaluation, Tuberculosis, Respiratory Fit Testing and other required immunizations including COVID-19 vaccinations.

DHS facility staff are required to ensure that each member of Contractor personnel (i) receives the appropriate documents; (ii) has submitted them to the applicable DHS facility EHS; and (iii) has obtained health clearance prior to beginning the work assignment under the Agreement.

No person shall be allowed to work at any time inside any DHS healthcare providing facility without appropriate documentation of health screening. Lack of evidence of immunity to certain diseases will restrict assignment locations within the DHS facilities.

All Contractor personnel who have potential exposure to respiratory hazards and/or aerosol transmissible disease shall provide appropriate documentation of a respiratory fit test on the same make, model, style and size as the respirator that will be used at the applicable DHS facility. If so instructed by County or the applicable DHS facility, this will be an annual mandatory requirement.

Per County policy, Contractor personnel are required to comply with annual health screening. Unless specified otherwise in the Agreement, Contractor personnel shall have their PLHCP conduct the assessment in accordance with County policy and procedures. This documentation is the "E2 Annual Health Clearance". Contractor personnel will be provided with the necessary

documentation for completion and submission to their PLHCP. The PLHCP will be required to complete the documents and submit them to Contractor, as appropriate, with the completed forms.

Contractor personnel will be given a 30-day reminder to comply with annual health screening requirements. A member of Contractor personnel who does not comply with annual or other health screening requirements may, at County's option, be given a letter indicating that such person has five (5) days to comply or be released from assignment. A copy of the "letter" will be provided to the supervisor/sponsor of such member of Contractor personnel for action. In any event, failure to provide documentation of health screening/clearance will result in immediate release from assignment without reinstatement until compliant.

Contractor personnel potentially exposed to occupational hazards will be provided emergency services within the allowable time frames, with the cost of such emergency services to be borne by Contractor, as appropriate. Contractor personnel who are exposed to occupational hazard or incur injury while performing services for County will be reported on the OSHA Log 300/301, as required by Federal and State regulation and guidelines.

In the event of an occupational needlestick injury or other exposure to Contractor personnel to blood and body fluids or airborne contaminants, medical care will be provided by the DHS EHS or the applicable facility's Emergency Room, with the cost of such medical care to be borne by Contractor, as appropriate. Contractor personnel may seek initial care for such injury or exposure from the facility EHS or DHS EHS within the allowable treatment time frames, with the cost of such care to be borne by Contractor, as appropriate. Subsequent follow-up treatments will be conducted through the appropriate agency's worker compensation medical provider, or individual's physician.

ATTACHMENT 4
INFORMATION SECURITY AND PRIVACY REQUIREMENTS
(INTENTIONALLY OMITTED)

ATTACHMENT 5
LICENSE AND PROPRIETARY RIGHTS
(INTENTIONALLY OMITTED)

ATTACHMENT 6
PAYROLL STATEMENT OF COMPLIANCE

I, Steve Claton (Name of Owner or Company Representative), Regional President (Title)

Do hereby state:

That (i) I pay or supervise the payment of the persons employed by Allied Universal (Contractor/Subcontractor) on the _____ (Agreement); (ii) during the payroll period commencing on the _____ (day) of _____ (Month and Year) and ending the 04 29 (day) of Steve Claton (Month and Year), all persons employed on such Agreement have been paid the full weekly wages earned; (iii) no rebates have been or will be made, either directly or indirectly, to or on behalf of (Contractor/Subcontractor) from the full weekly wages earned by any person; (iv) no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and as may be described below:

_____;

(v) any payrolls otherwise under the Agreement required to be submitted for the above period are correct and complete; and (vi) the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the Agreement.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Steve Claton, Regional President

Owner or Company Representative Signature:

Steve Claton

Digitally signed by Steve
Claton
Date: 2026.04.29
13:52:50 -07'00'

04/29/2026

Date:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT CONTRACTOR OR SUBCONTRACTOR TO CIVIL AND/OR CRIMINAL PROSECUTION. IN ADDITION, CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.

EXHIBIT B
STATEMENT OF WORK
FOR
SECURITY GUARD
SERVICES

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ATTACHMENTS

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STATEMENT OF WORK FOR SECURITY GUARD SERVICES

The provisions herein below, including any Attachments hereto, set forth the scope of and requirements for Guard Security Services (also "Services") to be provided by Contractor pursuant to the Agreement with the County of Los Angeles ("County") that may be awarded as a result of Request for Proposals No. HS-1158 ("RFP") issued by County's Department of Health Services ("DHS" or "Department"). This base document included in Exhibit B (Statement of Work) to the RFP or Exhibit B (Statement of Work) to the Agreement, as applicable, together with any Attachments hereto, shall be referred to as a "Statement of Work" or "SOW".

1.0 BACKGROUND AND OVERVIEW

Currently, DHS is responsible for providing Security Guard Services for its administrative offices, hospitals, health centers and clinics. Contractor shall be required to provide Services for any or all of the Service Sites identified in Attachment 1 (Service Sites) to this SOW in accordance with the requirements of the Agreement, including the Statement of Work, in exchange for payment of the applicable Service Fees set forth in the Pricing Schedule.

2.0 DEFINITIONS

Unless defined herein, the terms and phrases used throughout the Statement of Work shall have the particular meanings given to such in the Base Agreement under the Agreement. The terms and phrases used throughout the Statement of Work, with the initial letter capitalized where applicable, shall have the particular meanings specified below in this Paragraph 2.0.

- 2.1 **"Additional Services"** – shall have meaning specified in Paragraph 6.1 (Additional Services) of this SOW.
- 2.2 **"Area"; "Service Area"** – shall mean the area designated for the Service Site(s) for which Services shall be provided under the Agreement.
- 2.3 **"Business Hours"** – shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time ("PT").
- 2.4 **"Contingency Guards"** – shall mean a 15% pool of available Guards not currently assigned to an existing Service Site, but onboarded by DHS and ready to be deployed to any Service Site in accordance with the provisions hereof, including Paragraph 5.2.2 (Contingency Guards).
- 2.5 **"Contract Discrepancy Report"; "CDR"** – shall mean a County issued report based on the form set forth in Attachment 2 (Contractor Discrepancy Report) to this SOW that will be used by County's Project Manager to record discrepancies and/or other problems with Contractor's compliance with the provisions of the Agreement, including the Statement of Work. A copy of the CDR will be provided to Contractor for response and corrective action as necessary.

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- 2.6 **“COOP”** – shall have meaning specified in Paragraph 5.5.1 (Contractor's Continuity of Operations Plan) of this SOW.
- 2.7 **“Coverage Plan”** – shall mean a document created by County that indicates the placement of Posts throughout the Service Sites(s). The coverage requirements for each Service Area are specified in the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW.
- 2.8 **“Daily Activity Report”; “DAR”** – shall mean a log based on Contractor's form used by Guards and Supervising Guards to record events throughout the day at their assigned Post.
- 2.9 **“Electronic Post Confirmation System”; “System”; “EPCS”** – shall mean an automated check-in system to be provided by Contractor in accordance with Paragraph 3.2.8 (Electronic Post Confirmation System).
- 2.10 **“Guard”** – shall refer to the job classification for Guard I, Guard II or Guard III.
- 2.11 **“Hourly Rate”** – shall have meaning specified in Paragraph 3.2.3.D (Reimbursement) of this SOW.
- 2.12 **“Matrix Report”** – shall mean a report based on Contractor's form with information relating to Contractor's staff's is compliance with personnel requirements in the Agreement, as further described in this SOW including Paragraph 5.4.4 (Matrix Report).
- 2.13 **“Monthly Inspection Report”; “MIR”** – shall mean a monthly report to be provided by Contractor documenting services provided, problems identified and corrective actions taken by Contractor, as further specified in Paragraph 5.4.1 (Monthly Inspection Report) of this SOW.
- 2.14 **“Open Post”** – shall refer to an assigned Post with no coverage, tracked in one-hour increments.
- 2.15 **“Performance Requirements Summary”; “PRS”** – shall mean a document that may be used by County for identifying critical performance indicators related to the Agreement, including the Statement of Work, which will be evaluated by County to determine whether Contractor meets the applicable performance standards.
- 2.16 **“Post”** – shall mean any physical location at a Service Site where Guards may be assigned to provide coverage.
- 2.17 **“Post Order(s)”** – shall mean County orders outlining duties, responsibilities and expectations of Guards and Supervising Guards at the Posts, including general Post Orders and Service Site specific Post Orders, as further described in Paragraph 5.1.2 (Post Orders) of this SOW.
- 2.18 **“Required Services”** – shall mean any Services that are required to be provided under the Agreement, including this Statement of Work.
- 2.19 **“Security Incident Report”; “SIR”** – a County form that must be completed by Contractor to report any significant security incidents, as further described in Paragraph 5.4.3 (Security Incident Reports) of this SOW.

STATEMENT OF WORK

- 2.20 **“Security Manager”** – shall refer to the job classification for Security Manager.
- 2.21 **“Security Staff”** – shall mean and refer to any of the Guards, Supervising Guards and/or Security Managers providing Services under the Agreement.
- 2.22 **“Service Site(s)”** – any County owned, managed or authorized facility or other site identified in Attachment 1 (Service Sites) to this SOW.
- 2.23 **“Services”; “Security Services”** – shall mean any tasks, deliverables, goods, services and/or other work that may be provided by Contractor to County pursuant to the Agreement and this Statement of Work, including Security Guard Services.
- 2.24 **“Shift”** – predetermined number of hours identified by Contractor for provision of coverage for a Post.
- 2.25 **“Supervising Guard”** – shall refer to the job classification for Supervising Guard.
- 2.26 **“Vehicle Mileage Report”** – shall mean a Contractor provided report listing all vehicles used for provision of Services under this Agreement, which must include, at a minimum: vehicle description (make, model, year); license plate numbers; vehicle identification numbers; and mileage of each vehicle.

3.0 REQUIRED SERVICES

3.1 SERVICE SITES

The Service Sites approved for the provision of Services under the Agreement are identified in Attachment 1 (Service Sites) to this SOW. The list of Service Sites may be modified by an amendment or other appropriate modification to the Agreement in accordance with the provisions of the Agreement.

3.2 SCOPE OF SERVICES

Scope of Contractor's Services under the Agreement shall include the provision of Security Services by trained, professional, courteous, uniformed and equipped Guards to ensure each Service Site is safe, secured and monitored, as further described in this Paragraph 3.2 below.

3.2.1 GUARD POST COVERAGE

Contractor shall assign Guards at the Service Site(s) specified in Attachment 1 (Service Sites) to this SOW to meet County's needs, as specified below:

- A. Contractor shall determine the shifts needed to deploy Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.
 - 1. Contractor shall develop a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW, which shall specify the shifts and shall be made available to County upon request.

STATEMENT OF WORK

2. The deployment roster shall be updated on an ongoing basis to reflect the most recent staffing plan.
- B. Any exceptions, modifications or changes to Post coverage must have prior written approval of County.
- C. In the event County increases Post coverage requirements, Contractor shall work with County to develop a plan for any additional Guard(s) needed for the expanded coverage, together with the shift(s). Changes to Post coverage shall be memorialized by a modification to the Agreement in accordance with Paragraph 6.2 (Changes to Scope).

3.2.2 POST ORDERS

Contractor shall ensure that all Guards, Supervising Guards and Security Managers receive a copy of and are knowledgeable with the general and Service Site specific Post Orders as specified in Paragraph 5.1.2 (Post Orders) of this SOW.

3.2.3 EMERGENCY SERVICES

A. Staff Availability

Contractor staff shall be available to provide Services during any emergency situation, which may include fire, flood, earthquake, civil disturbance, pandemic, epidemic and any other natural or manmade disasters ("Emergency Services").

B. Authorization

If County determines that an emergency situation has triggered the need for Contractor to provide Emergency Services, County will issue an authorization for reimbursing Contractor beyond the scheduled Post coverage for provision of Emergency Services. Any oral authorizations by County will be followed by written confirmation.

C. Coverage

Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows:

- Immediately and no later than one (1) hour from the time of the request; or
- On the date(s) and time as requested by County.

D. Reimbursement

Contractor shall be reimbursed one-and-a-half times the applicable hourly Service Fees ("Hourly Rate") set forth in Exhibit C (Pricing Schedule) to the Agreement for Emergency Services provided within 12 hours of County's request, for the first shift only. Any Emergency Services required thereafter shall be provided utilizing the Contingency Guards in the form of

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Additional Services in accordance with Paragraph 6.1 (Additional Services).

E. Compliance with Labor Laws

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act regarding payment of overtime to its employees, consistent with Paragraph 8.21 (Fair Labor Standards) of the Base Agreement under the Agreement. As specified in Attachment 3 (Performance Requirements Summary) to this SOW, County may impose an assessment against Contractor for failure by Contractor to observe this requirement. County may report Contractor's non-compliance with the California Labor Code to the California Labor Commission.

3.2.4 MATERIALS AND EQUIPMENT

Contractor shall ensure that all Guards, Supervising Guards and Security Managers are equipped with the necessary materials and equipment listed below to perform the Services for each Service Site(s). Unless otherwise specified in writing by the Service Site, Contractor shall be responsible for providing for each of its personnel performing Services hereunder, at a minimum, the following items:

- A. One (1) Sam/Sally Browne belt;
- B. One (1) Handcuff case;
- C. One (1) set Handcuffs plus key;
- D. Four (4) keepers;
- E. One (1) Key Snap;
- F. One (1) heavy-duty 3-cell flashlight approved by County, or approved alternate, with batteries;
- G. One (1) radio holder/pouch;
- H. One (1) Side Handle Baton with Baton Ring or Collapsible Side Handle Baton with Baton Ring. Handler, 12", or the ASP (24" or 26") expandable straight stick;
- I. Appropriate Personal Protective Equipment ("PPE"), including a face masks, goggles, latex gloves and a pouch;
- J. Notebook and pen to document daily activities.

3.2.5 UNIFORMS

Contractor shall provide tailored fit uniforms for each Guard, Supervising Guard and Security Manager working at the Service Site(s). Uniforms must always be clean, neatly pressed and consist of the items listed below. Any exceptions must be approved in writing by County's Project Manager or the Service Site designee, if any.

- A. Trousers – Navy or black;
- B. Shirts – White or blue with the company name/logo;

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- C. Belts – Solid black color, basket weave pattern;
- D. Socks – Solid black or navy blue color;
- E. Shoes – Solid black color, leather material, military style (low laced, plain toed oxfords, with smooth finish);
- F. Shoulder patches, as required by California Business and Professions Code 7582.26(f), on both arms of uniform shirt, polo (if requested by County) and jacket;
- G. Jackets, with appropriate shoulder patches, as appropriate to weather conditions – Navy or black color (as necessary);
- H. Rain gear (as necessary);
- I. Special attire to be provided by Contractor, as requested by County):
 - Black or white polo shirt
 - Tie – Solid black color
 - Tie bar – Gold in color
 - Other appropriate attire reasonably requested by County

3.2.6 VEHICLES AND OTHER TRANSPORTATION

A. Vehicles

Contractor shall, at no cost to County, provide vehicles for Security Managers to conduct patrols, inspections and random visits and to fulfill relief and managing responsibilities at the multiple Service Site(s). As requested by County, Guards may also be assigned to patrol and may need a vehicle for patrolling the Service Site's campus. Contractor's vehicles shall:

1. Be kept clean with no major visible damage;
2. Be clearly identified with Contractor's name and logo;
3. Be less than ten (10) years old;
4. Be in a safe operating condition;
5. Contain copies of vehicle's registration and insurance;
6. Have yellow light bar affixed to roof;
7. Be equipped with or otherwise contain the following items:
 - a. First aid kit
 - b. 5 lb. ABC type fire extinguisher
 - c. Hand-held or vehicle spotlight
 - d. Traffic cones
 - e. Flares
 - f. Yellow scene management (banner guard type) tape

- g. High visibility/reflective vests
 - h. Appropriate PPEs (latex gloves, masks, face shields, goggles, etc.)
 - i. Log containing Guard name and initials, patrol times and mileage (beginning and end of each trip).
8. Be identified and maintained on a list of all vehicles used to provide services under this Agreement, that must include: vehicle description (make, model and year); license plate numbers; vehicle identification numbers; and mileage when vehicle is first to put to use for provision of services hereunder.

B. Other Transportation

- 1. Contractor shall, at no cost to County, also provide transportation other than vehicles, including but not limited to, bicycles and scooters (e.g., Segway) to patrol and conduct inspection rounds throughout each assigned Service Site's campus. All Guards shall wear a yellow or highly reflective vest and helmet while using such other form of transportation. Contractor shall ensure that all other transportation is:
 - a. Kept clean with no major visible damage;
 - b. Less than five (5) years old;
 - c. In a safe operating condition;
 - d. Equipped with reflectors;
 - e. Labeled with an identification number.
- 2. For all other transportation utilized for provision of Services under the Agreement, Contractor shall maintain a current list that includes a description (type and year) and shall assign an identification number.
- 3. Contractor shall ensure that all Guards are trained in the operation of all other transportation being utilized, prior to their first patrol assignment.

3.2.7 RADIOS

Contractor shall provide all Guards and Security Managers with hand-held radios and desktop radios. Contractor shall ensure that:

- A. Radio system is operational and able to operate efficiently and effectively at assigned Service Site(s) without interruption. Each Service Site may have separate radio system requirements, depending on design of the Service Site. Contractor shall be responsible for any and all necessary updates and repairs to the radio system if the system is not efficiently and effectively operational.
- B. Radios adhere to all applicable Federal Communications Commission ("FCC") regulations for all radio communications.

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- C. At least one (1) hand-held radio is fully operational and charged for each of Contractor's staff and, upon County's request, Service Site personnel designated by County.
- D. A desktop radio is available as requested by each Service Site.

3.2.8 ELECTRONIC POST CONFORMATION SYSTEM

Contractor shall provide an automated clock-in/clock-out System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty. Data from the System will be used to create Contractor's invoices for Services.

Unless otherwise directed by County, Contractor shall submit to County for approval the communication plan (i.e., notification to County of any Open Posts and deployment of Guards) before any Services may commence under the Agreement. The EPCS shall have the ability, at a minimum, to:

- A. Upon County's request, generate a report that identifies Contractor's staff clock-in/clock-out times, hours worked and patrol times.
- B. Generate monthly electronic timesheets and invoices.
- C. Alert Contractor's dispatcher when there is an Open Post.

3.3 **CONTRACTOR'S OBLIGATIONS AND REQUIREMENTS**

Contractor shall, at a minimum, meet the obligations and requirements set forth in this Paragraph 3.3 below.

3.3.1 MINIMUM STAFF COVERAGE

Contractor shall ensure that each Service Site is appropriately staffed with Guards, Supervising Guards and Security Managers in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW for the Service Area.

3.3.2 PERFORMANCE STANDARDS

- A. Contractor shall ensure that all Security Staff providing Services at each Service Site meet the standards specified in Paragraph 3.4 (Performance Standards and Requirements) of this SOW.
- B. Security Staff shall always present a courteous and business-like demeanor.
- C. Security Staff shall provide protection from bodily harm for employees, visitors, patients and other members of the public.
- D. Security Staff shall safeguard County property against fire, theft, vandalism and illegal entry.
- E. During the coverage of a Post, if a condition exists wherein there is imminent danger of injury to the public or damage to County property, the Guard shall control the situation and intervene, as

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appropriate, to prevent injurious acts to persons or property. As soon as it is safe to do so, Contractor's staff shall notify the Supervising Guard and County of the incident.

3.3.3 MINIMUM REQUIREMENTS

Contractor shall ensure that all Security Staff providing Services at each Service Site meet the minimum requirements for performance of Services at specified in this SOW, including those set forth below.

- A. Contractor shall ensure that Security Staff maintain all required permits and meet all applicable training requirements.
- B. Contractor shall conduct inspections, provide new uniforms when needed and take other appropriate measures to ensure that Security Staff maintain a professional appearance.
- C. Contractor shall ensure that Security Staff are trained in the use of equipment (e.g., weapon scanning equipment) needed for performance of Services at each Service Site.
- D. Contractor shall ensure that Security Staff are knowledgeable with all policies and procedures (i.e., Post Orders, Contractor internal policies, DHS guidelines and any specific Service Site protocols).

3.4 PERFORMANCE STANDARDS AND REQUIREMENTS

3.4.1 LICENSES, CERTIFICATIONS AND QUALIFICATIONS

Contractor shall have obtained and maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to the performance of this Agreement and the Services provided hereunder. Copies and/or proof of such licenses, permits, registrations, certifications and accreditations relating to the Services shall be made available to County prior to the Effective Date of this Agreement and upon request. Also, all of Contractor's personnel providing Services under the Agreement shall have the requisite experience and qualifications as well as the necessary licensing, certifications, credentialing and training for proper performance of Services hereunder in accordance with Contractor's own requirements and the applicable industry standards and regulations.

3.4.2 ONBOARDING

Contractor must meet any onboarding criteria and qualifications as required by the Service Sites for which Services may be provided by Contractor under the Agreement. County may immediately cease engaging Contractor for provision of Services hereunder if, in County's sole discretion, Contractor does not meet a Service Site's onboarding criteria or qualifications. County shall have no liability to Contractor for any Services provided without County's verification of the applicable onboarding criteria and qualifications and

authorization for provision of Services or without the appropriate certifications.

Service Site may also require Contractor to participate in an orientation. If required by a Service Site, Contractor shall complete the Facility Policy and Procedures Manual, DHS Risk Management Information Manual and New Employee/Contractor Checklist within thirty (30) days of hire and/or assignment for provision of Services hereunder. Contractor must acknowledge receipt of all documentation and orientation by signing and dating the New Employee/Contractor Checklist.

3.4.3 POLICIES AND PROCEDURES

A. Procedural Manual

Contractor shall develop and provide to County's Project Manager, at least ten (10) business days prior to commencing any work under the Agreement, Contractor's procedural manual for provision of Services under the Agreement, including Post coverage. This procedural manual will be updated by Contractor throughout the term of the Agreement to reflect changes to County's needs or operations.

B. Complaint Investigation Procedures

Contractor shall develop, maintain and provide to County's Project Manager, at least ten (10) Business Days prior to commencing any work under the Agreement, Complaint Investigation Procedures, which shall include procedures for receiving, investigating and responding to complaints by Guards, members of the public and County personnel, as further specified in Paragraph 8.6 (Complaints) of the Base Agreement under the Agreement.

C. Illness and Injury Prevention Program

Contractor shall provide to County's Project Manager, prior to commencing any work under the Agreement and annually thereafter, a copy of Contractor's CAL/OSHA-compliant Illness and Injury Prevention Program ("IIPP"). IIPP shall be regularly updated to reflect current risks and hazards and changes in regulatory requirements.

D. Compliance with Policies and Procedures

All Services provided hereunder shall be in compliance with, and all Contractor personnel providing the Services shall comply with, all policies, procedures, protocols, rules and directives applicable to each assigned Service Site.

3.4.4 CONTINUING EDUCATION

Throughout the term of the Agreement, Contractor shall be in conformance with all applicable continuing education requirements, including California Bureau of Security and Investigative Services.

4.0 PERSONNEL

4.1 COUNTY PERSONNEL

County will designate personnel for administering Contractor's performance under the Agreement, including the Statement of Work, as specified in Paragraph 6.0 (Administration of Agreement – County) of the Base Agreement under the Agreement. County personnel will provide direction to Contractor in areas relating to County policy information and procedural requirements.

4.2 CONTRACTOR PERSONNEL

As specified in Paragraph 7.0 (Administration of Agreement – Contractor) of the Base Agreement under the Agreement, Contractor shall designate Contractor's Project Director to lead and coordinate Contractor's provision of Services described hereunder and act as a central point of contact with County personnel. Contractor's personnel shall meet the qualifications and other specifications as set forth below in this Paragraph.

4.2.1 CONTRACTOR'S PROJECT DIRECTOR

- A. Contractor's Project Director shall have full authority to act on behalf of Contractor regarding all matters relating to the daily operations of the Agreement.
- B. Contractor's Project Director must have at least three (3) years of experience within the last five (5) years providing security project management services in a healthcare setting, including management and coordination of multiple locations.
- C. Contractor shall ensure that Contractor's Project Director, or qualified designee, is available and reachable by County regarding this Agreement, at a minimum via telephone, at all times during Business Hours.
- E. Contractor's Project Director shall institute and maintain appropriate supervision of all personnel providing Services on behalf of Contractor pursuant to the Agreement, including employees and subcontractors.

4.2.2 CONTRACTOR'S PROJECT MANAGER

- A. Contractor's Program Manager shall manage and provide oversight of the administrative functions, such as monthly invoices, administrative files and timesheets.
- B. Contractor's Project Manager shall be responsible for determining daily work duties, staffing levels, scheduling and staffing hours needed to properly provide Services under the Agreement.
- C. Contractor's Program Manager must have at least two (2) years of experience within the last three (3) years working for a security

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contractor and providing administrative duties such as timekeeping, personnel and payroll support.

4.2.3 SECURITY GUARD CLASSIFICATIONS

Contractor shall provide the following security Guard classifications for provision of Services (including Post coverage) in accordance with each applicable Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to this SOW:

A. Security Manager

Contractor shall provide Security Manager, as specified in Attachment 7.1 (Staff Specifications – Security Manager) of this SOW.

B. Supervising Guard

Contractor shall provide Supervising Guard, as specified in Attachment 7.2 (Staff Specifications – Supervising Guard) to this SOW.

C. Guard III

Contractor shall provide Guard III, as specified in Attachment 7.3 (Staff Specifications – Guard III) to this SOW.

D. Guard II

Contractor shall provide Security Guard II, as specified in Attachment 7.4 (Staff Specifications – Guard II) to this SOW.

E. Guard I

Contractor shall provide Security Guard I, as specified in Attachment 7.5 (Staff Specifications – Guard I) to this SOW.

4.2.4 PERSONNEL REQUIREMENTS

Contractor shall ensure that personnel providing Services pursuant to the Agreement meet, at a minimum, the requirements as specified below:

- A. Contractor shall provide sufficient personnel to fulfill the requirements of the Agreement and the Statement of Work.
- B. Contractor personnel must effectively communicate in English, both orally and in writing.
- C. Contractor shall notify County in writing of any change to Contractor's personnel and, if feasible, seek County's approval prior to the change in accordance with Paragraph 7.3 (Approval of Contractor Staff) of the Base Agreement under the Agreement regarding County's right to approve or disapprove Contractor's personnel.
- C. Contractor personnel shall be required to attend any scheduled meetings with County staff, as requested or required by County.

4.3 TRAINING

Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 3 (Training Outline) to this SOW, including Guard-specific and DHS mandatory training requirements for non-County workforce.

4.4 LITIGATION APPEARANCES AND COUNTY INVESTIGATIONS

4.4.1 Contractor's staff may be required to make litigation related appearances, including as a witness regarding job-related incidents.

4.4.2 Contractor's staff may be asked to cooperate during an investigation for job-related incidents by County personnel.

4.4.3 County will reimburse Contractor the cost of travel, lodging and per diem expenses actually incurred by Contractor's staff for any litigation related appearances and meetings, including investigation interviews, approved by County's Project Manager, at the rates not to exceed those approved for reimbursement to County employees.

4.5 APPLICANT FILE

Contractor shall submit to County for review and approval the applicant's pre-employment file for each member of Security Staff that may provide Services under the Agreement before scheduling background investigation in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. Contractor shall maintain a pre-employment file for each applicant referred to County for background investigation, which shall contain, at a minimum, the following:

4.5.1 EMPLOYMENT APPLICATION

The employment application, including a list of the candidate's jobs held and any periods of unemployment for the previous ten (10) years, including all security services experience.

4.5.2 MILITARY SERVICE DOCUMENTATION

If prospective applicant served in the military, documentation of all military experience (regular or reserve), including a copy of Selective Service Card DD Form 214 (Certificate or Release or Discharge from Active Duty).

4.6 ADMINISTRATIVE FILE

Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the following:

4.6.1 Driving Record, including a current printout of the Department of Motor Vehicle ("DMV") record for any Security Staff assigned to drive, which shall be updated annually.

4.6.2 Current and up-to-date Guard Registration Card, issued by the California Department of Consumer Affairs ("DCA"), Bureau of Security and Investigative Services ("BSIS").

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- 4.6.3 Current and up-to-date adult, child and infant CPR card, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours), and Automated External Defibrillator ("AED") certification.
- 4.6.4 Current and up-to-date First Aid Certification, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours).
- 4.6.5 Current and up-to-date baton permit issued by BSIS .
- 4.6.6 Valid and up-to-date California Class "C" Driver's License or California ID Card.
- 4.6.7 Health screening documentation specified in Paragraph 4.9 (Health Screening) of this SOW.
- 4.6.8 A file containing completed trainings and certificates as specified in Attachment 5 (Training Outline) to this SOW.

4.7 BACKGROUND AND INVESTIGATIONS

Contractor shall ensure that all personnel providing Services hereunder have undergone and passed, to the satisfaction of County, background checks in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. County's background investigation shall include, at a minimum, review of State, local and Federal level criminal conviction information obtained through fingerprints submitted to the California Department of Justice.

4.8 IDENTIFICATION BADGES

Contractor shall ensure personnel providing Services hereunder are appropriately identified in accordance with Paragraph 4.4 (Contractor's Staff Identification) of Exhibit A (Additional Provisions) to the Agreement.

4.9 HEALTH SCREENING

Contractor shall ensure personnel providing Services hereunder obtain health screenings in accordance with Paragraph 4.1 (Medical Health Screening) of Exhibit A (Additional Provisions) to the Agreement.

5.0 ROLES AND RESPONSIBILITIES

5.1 COUNTY'S RESPONSIBILITIES

Service Sites will be tasked with the roles and responsibilities as provided in this Paragraph 5.1 below.

5.1.1 FURNISHED ITEMS

- A. County may provide Contractor's staff with non-exclusive office or other space with furniture and/or equipment at a Service Site.
- B. County may provide furniture and equipment, which will be reasonably maintained or replaced due to normal wear and tear. Pictures of office space and furnishings shall be taken upon Contractor taking possession.

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- C. County will provide an inventory list of all furniture and equipment, which shall be signed by Contractor upon acceptance.
- D. County may inspect, request return of and otherwise have a right to enter and search such property at a Service Site.
- E. Upon termination or expiration of the Agreement, all County furniture and equipment shall be returned to County in good operating condition, less reasonable wear and tear. If County determines that any furniture or equipment is beyond reasonable wear and tear condition, Contractor shall be required to replace the furniture and/or equipment within 30 days from County's notice requesting such replacement.
- F. Contractor's Security Staff shall sign-in and sign-out for all County-furnished equipment, such as keys, when reporting for duty and at the end of the work shift. Replacement for any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property shall be the responsibility of Contractor. In addition, any costs associated with any such loss, disappearance, destruction, misuse or theft (i.e., re-keying Service Site, broken windows, loss or stolen equipment) shall be the responsibility of Contractor.
- G. Contractor's Project Manager shall report any improperly working or defective County-furnished equipment to the Service Site designee of County's Project Manager through a written memorandum within twenty-four (24) hours of Contractor's knowledge of the problem or defect.

5.1.2 POST ORDERS

County will provide to Contractor general Post Orders and Service Site specific Post Orders. General Post Orders will apply to all Service Site(s), while Service Site specific Post Orders will be unique to the requirements of a Service Site or Post. Contractor shall ensure that all members of its Security Staff are knowledgeable with and adhere to all general Post Orders and the applicable Service Site specific Post Orders.

5.2 **CONTRACTOR'S RESPONSIBILITIES**

5.2.1 STAFFING COVERAGE

A. Log of Questions, Inquiries and Complaints

Contractor shall maintain a written log of all questions, inquiries and complaints, the date and time each was received and a description of the action taken in response or reason for the non-action, together with its date and time. The log shall be made available to County for inspection at the request of County staff.

B. Holidays

Contractor shall be required to provide Services on County-recognized holidays at Service Site(s) operating on twenty-four

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(24) hour/seven (7) days a week basis or upon request by County. Contractor's all-inclusive billable rate shall cover the cost of any holiday pay. A listing of County-recognized holidays may be found at the following link: <https://lacounty.gov/government/about-la-county/about/>.

5.2.2 CONTINGENCY GUARDS

Contractor shall maintain a minimum of fifteen (15) percent (15%) contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post. Contingency Guards shall be County background-cleared, trained and certified and shall meet the applicable requirements of a Guard. Contingency Guards shall be made available for deployment to a Service Site as needed, throughout the term of the Agreement. Contractor shall provide to County on a quarterly basis or as otherwise instructed by County a list of Contingency Guards qualified and available for provision of Services under the Agreement.

5.2.3 PLANNED AND UNPLANNED ABSENCES

Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences. Procedures for absences shall be as follows:

- Contractor shall notify the applicable Service Site designee of County's Project Manager of any planned absence as soon as possible and at least one (1) hour prior to any such unplanned absence.
- In the event Guard must leave during the shift, replacement Guard shall deploy within one (1) hour to complete the remaining shift.
- Contractor shall assign a Guard or Supervising Guard for planned and unplanned absences to ensure continuous Post coverage.
- For any reported unplanned absence, Contractor shall deploy a Guard or Supervising Guard to the Service Site within one (1) hour.
- If a Supervising Guard is deployed for an unplanned absence of a Guard, the Supervising Guard shall remain at the Post until a replacement Guard arrives.

B. Additional Coverage

Generally, coverage for any part of or any facility or site ("Additional Site(s)"), other than the Service Site(s) specified herein, is provided by the incumbent contractor assigned to the area for such facility/site. However, County may request that Contractor also provide coverage for any Additional Site(s), based on Contractor's capacity, capability and performance, as well as business needs of County. Upon agreement of the parties, coverage for any such Additional Sites shall be provided in the form of Additional Services in accordance with Paragraph 6.1 (Additional Services) at the Hourly Rates not to exceed those

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specified in Exhibit C (Pricing Schedule) to the Agreement for Required Services.

Furthermore, in the event that Contractor is not able to provide Additional Services for any part of or any Service Site in its assigned Area ("Additional Location(s)") as requested by County, County reserves the right to engage another contractor for provision of security guards for such Additional Location(s).

5.3 CONTRACTOR'S OFFICE

Contractor shall maintain an office with a telephone in Contractor's name where Contractor conducts business. The office shall be staffed during Business Hours by at least one (1) employee who can respond to questions and any inquiries or complaints which may be received about Contractor's performance under the Agreement. Outside of Business Hours, Contractor shall provide for telephone or remote after-hours service for receiving calls. Unless otherwise agreed to by the parties or specified under this SOW, Contractor shall respond to calls received by the after-hours service within thirty (30) minutes of the call.

5.4 REPORTING

Contractor shall submit to County the following reports:

5.4.1 MONTHLY INSPECTION REPORT

- A. A Monthly Inspection Report ("MIR") of Contractor's scheduled and unscheduled inspections shall be submitted by the tenth (10th) business day of each month for each Service Site for which Services were provided, for the preceding month of Services, which shall include:
 - 1. Full details on all Services provided.
 - 2. Any corrective action(s) taken.
 - 3. A clear description of the problems.
 - 4. The time elapsed between identification and completed corrective action(s).
- C. Contractor shall maintain all MIR records and reports for five (5) years following termination or expiration of the Agreement.

5.4.2 DAILY ACTIVITY REPORTS

- A. Guards shall note the time and briefly describe events that have taken place throughout the day, such as theft, fire, unauthorized entry to secured area, property damage, bodily injury, etc. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift. Sufficient time shall be allocated for Guards to discuss any issues or concerns prior to the beginning of the next shift.
- B. Supervising Guard shall document site visits with Guards with respect to the following: uniform inspection, training completed, relief given for breaks or meal periods, records reviewed. DAR

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shall also include any communication with the Department personnel encountered, contract monitors contacted and any CDR follow-up completed.

➤ DAR summary shall be made following each Service Site visit.

C. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift.

5.4.3 SECURITY INCIDENT REPORTS

Contractor shall provide Security Incident Reports ("SIR") for incidents considered emergencies (e.g., potential property damage or personal injury that requires the need for Fire and Law Enforcement personnel). After the incident is no longer an imminent concern, Contractor shall:

A. Immediately notify the applicable Service Site designee for County's Project Manager in-person or via phone and follow up with an email.

B. Complete and provide to County the SIR by the end of the shift during which the incident occurred, if possible, but no event later than twenty-four (24) hours after the incident.

5.4.4 MATRIX REPORT

Contractor shall submit by the tenth (10th) business day of every month a Matrix Report to track all required certificates, trainings and any revised trainings needed to maintain compliance with the Agreement. The Matrix Report shall include, at a minimum, the following:

A. Service Site(s) name;

B. Security Staff's last and first name;

C. Security Staff's card number;

D. Date of training;

E. Name of training (attach course description);

F. Type of training (computer, class/session (virtual or in-person), handout, demonstration), including a brief description

G. Baton permit expiration date;

H. CPR and First Aid expiration date;

I. Customer service training;

J. Date of most recent performance evaluation.

5.4.5 VEHICLE MILEAGE REPORT

Contractor shall submit by the tenth (10th) business day of every month a summary log of vehicle mileage that includes name and initials of Security Staff, starting and ending mileage listing of Service Site(s) visited that during patrols and inspections.

5.5 OPERATIONAL PLANS

Contractor shall develop and maintain during the term of the Agreement the following operational plans, which shall be subject to County's approval. Any updates to the operational plans must have County's approval. All plans and related materials will be maintained on file and available for review by County upon request.

5.5.1 CONTRACTOR'S CONTINUITY OF OPERATIONS PLAN

- A. If required by County, Contractor, in collaboration with County, shall develop and provide to County within sixty (60) days from the Effective Date of the Agreement a Continuity of Operations Plan ("COOP") for each Service Site in compliance with County's Chief Executive Office ("CEO"), Office of Emergency Management ("OEM") guidelines. Contractor's COOP will be used for assisting County with restoration of Service Site operations in the event of an emergency or a disaster. The COOP shall address, at a minimum, the following:
 1. Coordination of Service Site emergency response drills in cooperation with County personnel and emergency responders.
 - Contractor shall document and report to the Service Site designee of County's Project Manager the results of any emergency response drills conducted at the Service Site.
 2. A tabletop (scenario) COOP exercise, for each Service Site, to be conducted at a minimum once a year.
 - The purpose of the scenario exercise is to ensure that information in COOP is complete and accurate and that Contractor's Security Staff know their responsibilities during an emergency or disaster and adhere to the Service Site's emergency response plan.
 - The results of scenario exercises shall be reported to the Service Site designee of County's Project Manager and shall include, at a minimum, the following: an overview of the exercise conducted, name and position of participant(s), nature of any deficiencies, a corrective action plan and the timeframe to correct deficiencies.
- B. The COOP shall be updated on an ongoing basis to reflect any changes in information as well as Service Site's current operations and emergency response plan, with updated COOP provided to the Service Site designee of County's Project Manager.
- C. Failure to adhere to the COOP in the event of an emergency or disaster may result in assessment by County of liquidated damages as specified in the Agreement, including Attachment 4 (Performance Requirements Summary) to this SOW.

5.5.2 RECRUITMENT PLAN

Contractor shall develop and provide to County at least ten (10) business days prior to commencing Services under the Agreement Contractor's plan ("Recruitment Plan") for recruiting Security Staff and maintaining a steady 15% pool of Contingency Guards. Contractor shall update the Recruitment Plan during the term of the Agreement and provide the updated Recruitment Plan to the Service Site designee of County's Project Manager.

6.0 ADDITIONAL SERVICES AND CHANGES TO SCOPE

6.1 ADDITIONAL SERVICES

County may request provision of Services other than those described or specified in Paragraph 3.0 (Required Services) above or elsewhere in the Agreement, including professional services ("Additional Services"). Additional Services may be provided on a time and materials basis or fixed price basis, as authorized by County. Additional Services shall require approval from the applicable Service Site designee of County's Project Manager of the requesting Service Site prior to commencement.

Upon County's request for provision of Additional Services on a fixed price basis, Contractor shall prepare and submit a written description of the work to be performed, together with a cost estimate for completion of the requested Additional Services, inclusive of all labor, materials, travel and any per diem costs at the applicable rates that may be set forth in the Pricing Schedule. Upon County's request for provision of Additional Services on a time and materials basis, Contractor shall provide a best estimate of the number of hours needed to complete the requested Additional Services. In any case, any acquisition of Additional Services shall be memorialized by an appropriate modification to the Agreement.

6.2 CHANGES TO SCOPE

The Director of DHS, or authorized designee, may add and/or delete Service Sites or otherwise require changes to the scope of the Agreement. Any such changes shall be made by a modification to the Agreement as authorized by Paragraph 8.1 (Amendments and Modifications) of the Base Agreement under the Agreement.

7.0 CONTRACTOR'S QUALITY CONTROL

Contractor shall establish and maintain the plans and procedures described below, including a comprehensive Quality Control Plan ("QCP"), to ensure provision by Contractor of consistently high level of Services throughout the term of the Agreement. Contractor shall submit for review and approval to County's Project Manager its QCP within 30 days of the Effective Date of the Agreement. Contractor shall resolve within 10 business days any concerns raised by County regarding the QCP, make any required adjustments and resubmit a revised QCP to County.

7.1 QUALITY CONTROL PLAN

The Quality Control Plan ("QCP") shall include, at a minimum, the following:

STATEMENT OF WORK

- 7.1.1 Description of Contractor's standards to improve quality, efficiency and effectiveness of Services provided hereunder, including:
- Identification of opportunities for improvement;
 - Clear expectations and metrics about the action required to improve performance;
 - Contractor's support and resources available to make the improvements;
 - Follow-up plans to measure Contractor's progress with improving and sustaining performance; and
 - Description of possible consequences if performance improvement standards are not met.
- 7.1.2 Description of Contractor's plan to maintain compliance with all applicable laws, standards and regulations, including County policies, procedures and/or departmental bulletins approved by the Director of DHS, or designee, relating to the performance standards and outcome measures.
- 7.1.3 Description of Contractor's methods of monitoring to ensure:
- All Agreement requirements are being met; and
 - All of Contractor personnel who provide Services hereunder maintain current immunizations and licenses and meet the training and other requirements under the Agreement.

7.2 QUALITY RECORDS

Contractor shall perform periodic quality audits to ensure Services, including equipment used for provision of Services, adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.

8.0 COUNTY'S QUALITY ASSURANCE

8.1 QUALITY ASSURANCE PLAN

County may evaluate Contractor's performance under the Agreement on an annual basis or more frequently, as determined by County. Evaluation of Contractor's performance may include, among others, County's assessment of Contractor's compliance with the requirements of the Statement of Work and invoicing.

8.2 CONTRACTOR DISCREPANCY REPORT

8.2.1 Verbal or written notification of any Agreement discrepancy will be made to Contractor's Project Director as soon as possible whenever a discrepancy is identified. Contractor shall, without unreasonable delay, resolve the problem within a period of time mutually agreed to by County and Contractor.

8.2.2 County's Project Manager will determine whether a formal CDR shall be issued. Upon receipt of a CDR, Contractor shall, within five (5)

STATEMENT OF WORK

business days of receipt of the CDR, provide to County's Project Manager a written response, which shall include a corrective action plan and proposed timeframe(s) for improving performance to an acceptable level and preventing re-occurrence of the deficiencies identified in the Contractor Discrepancy Report.

8.3 PERFORMANCE REQUIREMENTS SUMMARY

- 8.3.1 County may identify certain critical and minimum acceptable requirements of Contractor's performance of the Agreement in a Performance Requirements Summary, as set forth in Attachment 3 (Performance Requirements Summary) to this SOW ("PRS Chart").
- 8.3.2 The provisions listed in the PRS Chart are intended to be consistent with the requirements of the Agreement, including the Statement of Work, and not to create, extend, revise or expand any obligations of Contractor beyond such requirements. In the event of apparent inconsistency between the requirements of the Agreement and the PRS Chart, the meaning apparent in the Agreement shall prevail.
- 8.3.3 Failure by Contractor to comply with the requirements set forth in the PRS Chart at any time during the term of the Agreement shall entitle County, at its sole discretion, in addition to any other remedies available to County under the Agreement, to assess credits, fees or other financial deductions against Contractor as specified in the PRS Chart.

8.4 COUNTY OBSERVATIONS

In addition to departmental contracting staff, other County personnel may, at any time during normal Business Hours, without unreasonably interfering with Contractor's performance, observe Contractor's performance and activities, as well as review documents relevant to the Agreement.

STATEMENT OF WORK

**ATTACHMENT 1
SERVICE SITES
SECURITY GUARD SERVICES
AREA 1**

SERVICE SITE	STREET ADDRESS	CITY	STATE	ZIP	POINT OF CONTACT
High Desert Regional Health Center	335 E Avenue I	Lancaster	CA	93535	Lee Dunham, Director ldunham@dhs.lacounty.gov (661) 471-4201 Jacqueline Bisantz, Staff Assistant jbisantz@dhs.lacounty.gov (661) 471-4230
Lake LA Community Clinic	16921 E Ave O Space G	Palmdale	CA	93591	Lee Dunham, Director ldunham@dhs.lacounty.gov (661) 471-4201 Jacqueline Bisantz, Staff Assistant jbisantz@dhs.lacounty.gov (661) 471-4230
Littlerock Community Clinic	8201 Pearblossom Highway	Littlerock	CA	93543	Lee Dunham, Director ldunham@dhs.lacounty.gov (661) 471-4201 Jacqueline Bisantz, Staff Assistant jbisantz@dhs.lacounty.gov (661) 471-4230
South Valley Health Center	38350 40Th St E,	Palmdale	CA	93552	Lee Dunham, Director ldunham@dhs.lacounty.gov (661) 471-4201 Jacqueline Bisantz, Staff Assistant jbisantz@dhs.lacounty.gov (661) 471-4230
Antelope Valley Health Center	335-B E. Avenue K-6	Lancaster	CA	93535	Lee Dunham, Director ldunham@dhs.lacounty.gov (661) 471-4201 Jacqueline Bisantz, Staff Assistant jbisantz@dhs.lacounty.gov (661) 471-4230
Mid-Valley Comp. Health Center	7515 Van Nuys Blvd.	Van Nuys	CA	91405	Gina Zevallos-Rivas gzevallos@dhs.lacounty.gov 818-627-3065
San Fernando Health Center	1212 Pico Street	San Fernando	CA	91340	Gina Zevallos-Rivas gzevallos@dhs.lacounty.gov 818-627-3065
Zev Yaroslavsky Family	7555 Van Nuys Blvd	Van Nuys	CA	91405	Gina Zevallos-Rivas gzevallos@dhs.lacounty.gov

STATEMENT OF WORK

**ATTACHMENT 1
SERVICE SITES
SECURITY GUARD SERVICES
ARE**

Support Center	7555 Van Nuys Blvd.	Van Nuys	CA	91405	gzevallos@dhs.lacounty.gov 818-627-3065
H. Claude Hudson Comp. Health Center	2829 S Grand Ave.	Los Angeles	CA	90007	Murphy Moore, III (213) 699-7331 mmooreiii@dhs.lacounty.gov
El Monte Comp. Health Center	10953 Ramona Blvd.	El Monte	CA	91731	Rosalinda Villalobos rvillalobos@dhs.lacounty.gov 626-434-2800
La Puente Health Center	15930 Central Avenue	La Puente	CA	91744	Isaac Salgado isalado@dhs.lacounty.gov 626-434-2800
Hurbert H. Humphrey Comp. Health Center	5850 S Main St.	Los Angeles	CA	90003	Michelle Clay myclay@dhs.lacounty.gov 310-868-7560
MLK JR. Outpatient Center	1670 E. 120th Street	Los Angeles	CA	90059	DeeDee Bynum dbynum@dhs.lacounty.gov (424) 338-2964
Bellflower Health Center	10005 E. Flower Ave.	Bellflower	CA	90706	Patricia Jimenez pjimenez2@dhs.lacounty.gov (562) 753-2315
Edward R. Roybal Comp. Health Center	245 S. Fetterly St.	Los Angeles	CA	90022	Cadenna Penh cpenh@dhs.lacounty.gov (323) 362-1228
Star Clinic	238 E. 6th Street	Los Angeles	CA	90014	Nicole Ulloa nulloa@dhs.lacounty.gov 213-699-7154

STATEMENT OF WORK

ATTACHMENT 1
SERVICE SITES
SECURITY GUARD SERVICES
AREA 1

Bell Health Center	6901 Atlantic Ave.	Bell	CA	90201	Michelle Clay myclay@dhs.lacounty.gov 310-868-7560
Long Beach Comp. Health Center	1333 Chestnut Blvd.	Long Beach	CA	90813	Cynthia Gallardo cgallardo@dhs.lacounty.gov (562) 753-2312
Wilmington Health Center	1325 Broad Ave.	Wilmington	CA	90744	John Ibay jibay@dhs.lacounty.gov (562) 753-2322
Alvarado Health Clinic	2200 West 3rd St., 4th Floor	Los Angeles	CA	90057	Murphy Moore, III mmooreiii@dhs.lacounty.gov 213-699-7331

ATTACHMENT 2

CONTRACTOR DISCREPANCY REPORT

CDR NUMBER	DATE CDR PREPARED
SERVICE SITE / FACILITY	
CONTRACTOR	AGREEMENT / CONTRACT NUMBER
TO CONTRACTOR'S STAFF [NAME AND TITLE]	FROM [COUNTY'S STAFF NAME AND TITLE]

INCIDENT DETAILS

DATE(S) OF INCIDENT	TIME(S) OF INCIDENT	LOCATION(S) OF INCIDENT
DESCRIPTION OF INCIDENT		
CONTRACTUAL REQUIREMENT(S) – INCLUDE AGREEMENT REFERENCE(S)		

CONTRACTOR DUE DATES

[refer to Agreement to confirm number of days allotted]

1) Contractor's Written Acknowledgement of discrepancy response due within two (2) business days from the date of this CDR: _____	
2) Contractor's Correction Plan of all deficiencies identified in this CDR due within five (5) business days from the date of this CDR: _____	
SIGNATURE OF COUNTY'S REPRESENTATIVE	DATE

CONTRACTOR CORRECTIVE ACTION PLAN

IDENTIFY THE ROOT CAUSE OF INCIDENT AND CORRECTIVE ACTION TAKEN		
PLAN FOR PREVENTION OF FUTURE INCIDENTS		
WRITTEN NAME & TITLE OF CONTRACTOR'S REPRESENTATIVE	SIGNATURE OF CONTRACTOR'S REPRESENTATIVE	DATE

STATEMENT OF WORK

COUNTY EVALUATION OF CONTRACTOR'S RESPONSE				
	YES	NO (IF NO, FURTHER ACTION IS REQUIRED)	Not Applicable (N/A)	ACTION TAKEN / COMMENTS
Contractor acknowledgement of CDR received by Due Date				
Contractor Corrective Action Plan (CAP) received by Due Date				
CAP resolves Discrepancy(ies)				
Plan for Prevention of future incidents is acceptable				
Contractor notified of deficient CAP & possible PRS assessment (Due Date for acceptable CAP is 10 business days)				
Contractor resolved deficient CAP				
If no, Contractor notified of PRS Assessment				
PRS Deductions taken (Invoice No./ Date)				
CONTRACTOR NOTIFIED OF ACTION				
WRITTEN NAME & TITLE OF COUNTY REPRESENTATIVE:			SIGNATURE OF COUNTY REPRESENTATIVE:	
DATE:				
WRITTEN NAME & TITLE OF CONTRACTOR REPRESENTATIVE:			SIGNATURE OF CONTRACTOR REPRESENTATIVE:	
DATE:				

ATTACHMENT 3
PERFORMANCE REQUIREMENTS SUMMARY

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
BASE AGREEMENT			
Base Agreement: Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)	Contractor shall maintain all required records, as specified in Paragraph 8.42.	Inspection of files	\$100 per incidence of non-compliance
Base Agreement: Paragraph 8.45 (Subcontracting)	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection and Observation	\$100 per incidence of non-compliance.
ADDITIONAL PROVISIONS			
Additional Provisions: Paragraph 10 (Compliance with County's Advance High Road Jobs Initiative)	Contractor shall be in compliance with the County's Advancing High Road Jobs Initiative.	Semi-annual report	\$100 per incidence of non-compliance.
STATEMENT OF WORK			
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall assign Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.	Inspection and Review	\$200 per hour, per Open Post; Open Post are tracked in one-hour increments.
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall develop and maintain up-to-date a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW, which shall specify the shifts and shall be made available to County upon request.	Inspection and Review	\$100 per occurrence of failure to provide to County a deployment roster upon request or for providing an outdated deployment roster.
SOW: Paragraph 3.2.3 (Emergency Services)	Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows: ➤ Immediately and no later than one (1) hour from the time of the request; or ➤ On the date(s) and time as requested by County.	Inspection and Review	\$200 per occurrence of failure to provide Post coverage in compliance with Paragraph 3.2.3.

STATEMENT OF WORK

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 3.2.8 (Electronic Post Confirmation System)	Contractor shall provide an automated clock-in/clock System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty.	Observation, Inspection of time sheets and random Site Visits	\$500 per occurrence of any errors or issues relating to Electronic Post Confirmation System.
SOW: Paragraph 3.3 (Contractor's Obligations and Requirements)	Contractor shall ensure that (i) each Service Site is appropriately staffed; (ii) Security Staff meet performance standards; and (iii) Security Staff meet the minimum requirements, as specified in Paragraph 3.3.	Inspection and Observation	\$500 per incidence of non-compliance.
SOW: Paragraph 3.4 (Performance Standards and Requirements)	Contractor shall (i) maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to performance of Services; and (ii) meet Service Site onboarding criteria, as specified in Paragraph 3.4.	Inspection and Observation	\$100 per incidence of non-compliance.
SOW: Paragraph 4.2 (Contractor Personnel)	Contractor's personnel shall meet the qualifications and other specifications as set forth in Attachments (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the SOW.	Observation, random Inspections; Review of administrative files	\$500 per incidence of non-compliance
SOW: Paragraph 4.3 (Training)	Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 5 (Training Requirements) to the SOW.	Observation, random Inspections; Review of administrative files	\$100 per each employee non-compliant with the requirements of Attachment 5 (Training Requirement) to the SOW.
SOW: Paragraph 4.6 (Administrative File)	Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the documentation, as specified in Paragraph 4.6.	Inspection and Review	\$100 per occurrence for any missing, or incomplete or outdated administrative file documentation specified in Paragraph 4.6

STATEMENT OF WORK

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 5.2.2 (Contingency Guards)	Contractor shall maintain a minimum of fifteen (15) percent contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post, as specified in Paragraph 5.2.2.	Inspection and Review	15% deduction from each invoice within the applicable Area.
SOW: Paragraph 5.2.3 (Planned and Unplanned Absences)	Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences, as specified in Paragraph 5.2.3.	Inspection and Review	\$500 per occurrence of violation of Paragraph 5.2.3.
SOW: Paragraph 5.4 (Reporting)	Contractor shall provide to County the Monthly Inspection Report (MIR), Daily Activity Reports (DAR), Security Incident Reports (SIR), Matrix Report, and the Vehicle Milage Report, as specified in the Paragraph 5.4.	Inspection and Review	\$100 per occurrence of failure to provide any of the reports identified in Paragraph 5.4.
SOW: Paragraph 5.5.1 (Contractor's Continuity of Operations Plan)	Failure to adhere to Contractor's COOP approved by County in the event of an emergency or disaster as required under Paragraph 5.5.1.	Inspection and Observation	\$1,000 per incidence of non-compliance.
SOW: Paragraph 7.0 (Contractor's Quality Control)	Contractor shall establish and maintain a QCP as required in Paragraph 7.0.	Inspection and Observation	\$250 and revisited if not provided within 10 business days.
SOW: Paragraph 7.2 (Quality Records)	Contractor shall perform periodic quality audits to ensure Services adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.	Inspection and Review	\$200 per occurrence of any missing or incomplete records.

ATTACHMENT 4.1
MINIMUM STAFF COVERAGE - AREA 1

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	High Desert Regional Health Center	On-Site Supervising Guard	Supervising Guard	1	0800 - 1600	Sun-Sat, Hol (everyday)
	High Desert Regional Health Center	Main Entrance	Guard I	1	0000-1600	Sun-Sat, Hol (everyday)
	High Desert Regional Health Center	Main Entrance	Guard III	1	1600-2400	Sun-Sat, Hol (everyday)
	High Desert Regional Health Center	Exterior/Vehicle/Parking Lot	Guard I	1	1600 - 2400	Sun-Sat, Hol (everyday)
	High Desert Regional Health Center	Exterior/Vehicle/Parking Lot	Guard II	1	0000 -1600	Sun-Sat, Hol (everyday)
	High Desert Regional Health Center	Interior Foot Patrol	Guard I	1	1600 - 2400	Sun-Sat, Hol (everyday)

	High Desert Regional Health Center	Main Entrance / Interior Foot Patrol	Guard II	1	1600 - 2400	M-F
	High Desert Regional Health Center	Security Manager	Security Manager	1	0830 - 16:30	M-F
	High Desert Regional Health Center	Traveling Supervising Guard Antelope Valley/South Valley	Supervising Guard	1	0800 - 1600	Sun-Sat, Hol (everyday)
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Lake LA Community Clinic	Lobby	Guard I	1	0800 - 1730	M, W, F
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Littlerock Community Clinic	Lobby	Guard I	1	0800 - 1730	Tue, Th

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	South Valley Health Center	Lobby	Guard I	1	0700 - 0100	Sun-Sat, Hol (everyday)
		Lobby	Guard I	1	1000 - 1800	Sat, Sun
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Antelope Valley Health Center	Lobby	Guard I	1	0730 - 1730	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Mid-Valley Comp. Health Center	Security Desk	Guard I	1	0000 - 2400	Sun-Sat, Hol (everyday)
	Mid-Valley Comp. Health Center	Rover	Guard II	1	0700 - 2300	Mon - Fri
	Mid-Valley Comp. Health Center	Rover	Guard I	1	0800 - 1600	Sun-Sat, Hol (everyday)
	Mid-Valley Comp. Health Center	Traveling Supervising Guard Mid Valley/ San Fernando	Supervising Guard	1	0800 - 1600	Sun-Sat, Hol (everyday)

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	San Fernando Health Center	Screening	Guard I	1	1000 - 1800	Mon - Fri
		Security Desk	Guard I	1	0700 - 2130	Mon - Thu
		Security Desk	Guard I	1	0700 - 1500	Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Zev Yaroslavsky Family Support Center	Security Desk	Guard I	1	1300 - 2100	Mon - Thu
		Security Desk	Guard I	1	1100 - 1900	Fri
		Security Desk	Guard I	1	0900 - 1700	Sat, Hol
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
	H. Claude Hudson Comp. Health Center	On-Site Supervising Guard	Supervising Guard	1	0900 - 1700	Sun-Sat, Hol (everyday)
	H. Claude Hudson Comp. Health Center	Annex / Eye Clinic	Guard I	1	0800 - 1700	Mon - Fri
	H. Claude Hudson Comp. Health Center	Main Lobby / Weapons Screening	Guard II	2	0700 - 2300	Sun-Sat, Hol (everyday)

1	H. Claude Hudson Comp. Health Center	Loading Dock	Guard I	1	0700 - 2300	Sun-Sat, Hol (everyday)
	H. Claude Hudson Comp. Health Center	Dispatch	Guard I	1	0000 - 2400	Sun-Sat, Hol (everyday)
	H. Claude Hudson Comp. Health Center	Day Rover / Patrol	Guard II	1	0700 - 1500	Sun-Sat, Hol (everyday)
	H. Claude Hudson Comp. Health Center	Fire Watch/ Rover	Guard I	1	1500 - 2300	Sun-Sat, Hol (everyday)
	H. Claude Hudson Comp. Health Center	Night Patrol	Guard II	1	2330 - 0730	Sun-Sat, Hol (everyday)
	H. Claude Hudson Comp. Health Center	Parking Lot 3 / CKP	Guard I	1	0730 - 1530	Mon - Fri
	H. Claude Hudson Comp. Health Center	Traveling Supervising Guard Metro	Supervising Guard	1	0800 - 1600	Sun-Sat, Hol (everyday)
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Alvarado Health Clinic	Clinic Security	Guard I	1	0730 - 1630	Mon - Fri

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	El Monte Comp. Health Center	Generator Guard	Guard I	1	0000 - 2400	Sun-Sat, Hol (everyday)
	El Monte Comp. Health Center	Dispatch / Closer	Guard I	1	1430 - 2300	Mon - Fri
	El Monte Comp. Health Center	Dispatch	Guard I	1	0600 - 1430	Mon-Fri
	El Monte Comp. Health Center	Dispatch	Guard I	1	0900 - 1730	M,T,W,F
	El Monte Comp. Health Center	Dispatch	Guard I	1	0700 - 1730	Sat
	El Monte Comp. Health Center	Employee Parking Lot	Guard I	1	0800 - 1630	Tue - Fri
	El Monte Comp. Health Center	Employee Parking Lot	Guard I	1	0700 - 1730	Sat
	El Monte Comp. Health Center	Employee Parking Lot	Guard I	1	1230 - 2100	Mon - Fri
	El Monte Comp. Health Center	Parking Lot / Rover	Guard II	1	1430 - 2300	Mon - Fri

	El Monte Comp. Health Center	Lead Guard	Guard III	1	0730 - 1630	Mon - Fri
	El Monte Comp. Health Center	Traveling Supervising Guard / San Gabriel	Supervising Guard	1	0800 - 1630	Mon-Sat
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	La Puente Health Center	Main Entrance / Patrol	Guard I	1	0730 - 1700	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Hurbert H. Humphrey Comp. Health Center	On-site Supervising Guard	Supervising Guard	1	0000 - 2400	Mon - Fri
	Hurbert H. Humphrey Comp. Health Center	Control	Guard I	1	0000 - 2400	Sun-Sat, Hol (everyday)
	Hurbert H. Humphrey Comp. Health Center	Main Lobby	Guard II	1	0000 - 2400	Sun-Sat, Hol (everyday)
	Hurbert H. Humphrey Comp. Health Center	Rover	Guard II	1	0630 - 1430	Mon - Fri
	Hurbert H. Humphrey Comp. Health Center	Parking Lot	Guard I	1	0630 - 2000	Mon - Fri
	Hurbert H. Humphrey Comp. Health Center	Parking Lot	Guard I	1	0800 - 1700	Mon - Fri
	Hurbert H. Humphrey Comp. Health Center	Parking Lot - Weekend Coverage	Guard 1	1	0700 - 1700	Sat - Sun

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
	MLK	On-Site Supervising Guard	Supervising Guard	2	0000 - 2400	Sun-Sat, Hol (everyday)
	MLK	MLK Outpatient Center Front Lobby Doors	Guard I	1	0700 - 1530	Mon - Fri
	MLK	MLK Front Lobby/Lab Patrol	Guard I	1	0700 - 1530	Mon - Fri, Hol
	MLK	Parking Lot D, E, and F Patrol	Guard I	1	0700 - 1530	Mon - Fri
	MLK	Parking Lot E Patrol	Guard I	1	0800 - 1630	Mon - Fri
	MLK	MLK OPC Weapons Screening	Guard I	1	0800 - 1630	Sun - Sat
	MLK	MLK Outpatient Center 1st Floor	Guard II	1	1430 - 0700	Sun-Sat, Hol (everyday)
	MLK	MLK Outpatient Center Interior Patrol A	Guard I	1	1500 - 2330	Mon - Fri
	MLK	MLK Outpatient Center Service Road Int/Ext Patrol	Guard I	1	0800 - 1700	Mon - Fri, Hol

1	MLK	MLK OC Oasis, Hub Clinic, Lot H Roving Patrol	Guard I	1	0800 - 1700	Mon - Fri
	MLK	MLK J. Hill West Support Bldg. Lobby RCC	Guard I	1	0730 - 1600	Mon - Fri
	MLK	Relief Officer	Guard I	1	0730 - 2400	Sun-Sat, Hol (everyday)
	MLK	Hawkins / Inpatient Psychiatric Unit	Guard III	3	0000-2400	Sun-Sat, Hol (everyday)
	MLK	BHC MLK Urgent Care	Guard III	2	0730 - 2400	Sun-Sat, Hol (everyday)
	MLK	Hawkins Loading Dock	Guard I	1	0730 - 1700	Mon - Fri
	MLK	Hawkins 2nd Floor Front Door Ramp/Entrance	Guard I	1	0700 - 1530	Mon - Fri
	MLK	MLK OPC Parking Structure A	Guard I	1	1500 - 2330	Mon - Fri, Hol
	MLK	J. Avant Building	Guard II	2	1530 - 2400	Sun-Sat, Hol (everyday)
	MLK	J. Avant Building	Guard I	2	2330 - 0800	Sun-Sat, Hol (everyday)

	MLK	J. Avant Building	Guard II	3	0730 - 1600	Mon - Fri
	MLK	Interns and Residents Building - Conference Room	Guard I	1	1700 - 2100	Sun
	MLK	Security Manager	Security Manager	1	0830- 1630	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Bellflower Health Center	Lobby	Guard I	1	0700 - 1730	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Edward R. Roybal Comp. Health Center	Rover 1	Guard I	1	0545 - 1415	M-F
	Edward R. Roybal Comp. Health Center	Rover 2	Guard II	1	0600 - 1500	M-F
	Edward R. Roybal Comp. Health Center	Rover 3	Guard I	1	0700 - 1530	M-F
	Edward R. Roybal Comp. Health Center	Rover 4	Guard I	1	1030 - 1900	Mon - Fri
	Edward R. Roybal Comp. Health Center	Rover 5	Guard I	1	1245 - 2115	Mon - Fri
	Edward R. Roybal Comp. Health Center	Rover 6	Guard I	1	0745 - 1615	Sat
	Edward R. Roybal Comp. Health Center	Rover 7	Supervising Guard	1	0800 - 1630	Sat

	Edward R. Roybal Comp. Health Center	Rover 8	Guard I	1	0845-1715	Sat
	Edward R. Roybal Comp. Health Center	Supervising Guard	Supervising Guard	1	1030 - 1900	Mon - Fri, Hol
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Bell Health Center	Lobby	Guard I	1	0700 - 1700	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Long Beach Comp. Health Center	Security Office	Guard I	1	0600 - 2300	Mon - Fri
		Security Office	Guard I	1	0900 - 1730	Tue - Fri
		Security Office	Guard II	1	0700 - 1730	Mon - Sat
		Rover	Guard I	1	0600 - 2300	M-F
		Traveling Supervising Guard / Coastal	Supervising Guard	1	0800 - 1630	Mon - Sat
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Wilmington Health Center	Rover	Guard I	1	0715 - 1715	Mon - Fri

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
1	Star Clinic	Interior Patrol	Guard III	1	0800 - 1630	Mon - Fri

APPENDIX B – ATTACHMENT 5
TRAINING REQUIREMENTS

This Attachment 5 sets forth the training requirements for the provision of Security Guard Services under the Agreement, required by the County of Los Angeles ("County") for the provision of Services by Security Guards I, II and III ("Guard(s)"), Supervising Guards and Security Managers (Security Staff). Contractor shall ensure that all Security Staff working at County buildings, hospitals and/or clinics ("Service Site(s)") complete all applicable training required by County, as set forth herein below. **Unless indicated otherwise in writing by the County, all such training shall be at no cost to the County.**

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required Prior to 1st Day at Service Site	
1	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the Statement of Work: ➤ Power to Arrest ➤ Weapons of Mass Destruction and Terrorism Awareness ➤ Public Relations – Community and Customer ➤ Observation and Documentation ➤ Communication and its Significance ➤ Liability/Legal Aspects ➤ First Aid / Cardiopulmonary Resuscitation (CPR) / Automated External Defibrillator (AED) ➤ Baton Permit <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	All Security Staff
2	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.4) under Attachment 7 (Staff Specifications) to the Statement of Work. ➤ Monitoring Crowd Control ➤ Trespass Course ➤ Arrest, Search, and Seizure ➤ Chemical Agents <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	Guard II's, Guard III's, Supervising Guards & Security Managers

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required to be Completed on 1st Day of Assignment at Service Site	
3	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on their first day of deployment at a Service Site: ➤ Post Orders & Assignments ➤ Facility Policies/Orientation ➤ Evacuation Procedures ➤ Handling Difficult People ➤ Workplace Violence* ➤ Officer Safety ➤ Access Control ➤ Compliance Awareness Training (CAT) ➤ Commercial Sexual Exploitation of Children (CSEC 101) ➤ County Wide Privacy Awareness Training ➤ Cybersecurity Awareness Curriculum ➤ HIPPA for Covered Entities <i>*Security Staff will be required to complete a Workplace Violence course annually thereafter.</i>	All Security Staff
4	Training documents for this course will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete this course on their first day of employment under this Agreement: ➤ Just Culture Managers and Supervisors	Supervising Guard & Security Managers
	Post Specific Training	
5	Contractor shall train all Security Staff on use of Contractor-issued vehicles and other transportation, upon a patrol assignment at a Service Site: ➤ Vehicle and Other Transportation Usage	All Security Staff Assigned Vehicles and Other Transportation
6	Contractor shall train all Security Staff on use of equipment used to screen for weapons, including x-ray machines and hand-held magnetometers prior to assignment at a Service Site: ➤ Weapon Detection Equipment Usage	All Security Staff Assigned to Post with Weapon Detection Equipment

	NAME OF COURSE/ CERTIFICATE/PERMIT	STAFF REQUIRED
	Ongoing DHS Training	
7	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on an Annual basis: ➤ Facility Reorientation Handbook ➤ Employee Health Services Annual Tuberculosis Surveillance Training ➤ Workplace Violence	All Security Staff
8	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Employees ➤ Sexual Harassment and Discrimination Prevention for Non-Supervisors	Guards
9	Course documents will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Supervisors ➤ Sexual Harassment and Discrimination Prevention for Supervisors	Supervising Guard & Security Managers

SOW - ATTACHMENT 6

DATE: _____

COMPANY NAME: _____

COMPANY ADDRESS: _____

PROJECT: _____

DEPARTMENT NAME: _____

[illegible]

STAFF SPECIFICATIONS – SECURITY MANAGER

Security Manager shall be assigned to one or more Services Sites for the management of the Security Staff providing Services under the Agreement, including Supervising Guard, Guard I, II, and III as specified in the Statement of Work. Security Managers may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least two (2) years of full-time paid experience as a security supervisor in a healthcare environment, within the last three (3) years and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing direction and instruction to Post and/or patrolling Supervising Guard by making daily rounds of assigned Location(s) and maintaining Supervising Guard performance.
- Explaining post procedures under Post Orders.
- Providing Training to Supervising Guards under his/her supervision and ensuring that each Supervising Guard fully understands the duties and services to be provided.
- Being available for inspections from DHS personnel.
- Being available to Supervising Guard under his/her supervision at all times during the assigned shift.
- Providing technical and administrative advice to Supervising Guards as appropriate.
- Ensuring adequately assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard's performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and providing necessary support.
- Training applicable security guards on the use of radios and Services Sites codes.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Sites.

BACKGROUND INVESTIGATIONS:

Each Security Manager is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Security Manager or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

STATEMENT OF WORK - ATTACHMENT 7.1

MEDICAL HEALTH SCREENING:

Security Manager must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Security Managers, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Security Managers are required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Security Manager must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.2

STAFF SPECIFICATIONS – SUPERVISING GUARD

Supervising Guard (also “Supervisor”) shall be assigned to one or more Services Sites for supervision of Guards providing Services under the Agreement, including Guard I, II and III, as specified in the Statement of Work. Supervisors may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least (2) years within the last three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring adequate assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard’s performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and provide necessary support.
- Training applicable security guards on the use of radios and Services Site(s) codes.
- Conducting investigations of incidents and preparing a written memorandum of Security Incident Report (“SIR”) and submitting the SIR to the Service Site designee of County’s Project Manager by the end of the Supervisor’s shift or within twenty-four (24) hours of the incident.
- Covering applicable Post for applicable Guards during breaks, meal, and absences.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Site(s).

BACKGROUND INVESTIGATIONS:

Each Supervising Guard is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor’s staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Supervising Guard or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Supervising Guard must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Supervising Guards, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor’s staff classified as Supervising Guard are required to have a valid California Class “C” Driver’s.

STATEMENT OF WORK – ATTACHMENT 7.2

TRAINING REQUIREMENTS:

Supervising Guard must pass and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD III

Guard III shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard III will be assigned to a Post distinguished by County as a higher potential risk. Guard III may also assume a “Team Lead” role in which they will oversee an area to ensure Guards I and II are performing their duties; immediately respond to issues or concerns raised by Guards I and II related to security matters.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard III must have at least three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing supportive and a lead role in advising and assisting Guards I and II.
- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons, or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).

STATEMENT OF WORK - ATTACHMENT 7.3

- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard III is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard III or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard III must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard III, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard III may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard III must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD II

Guard II shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard II will be assigned to a Post distinguished by County as a higher potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard II must have at least one (1) year of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, render first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard II is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard II or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard II must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard II, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard II may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard II must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

STAFF SPECIFICATION - GUARD I

Guard I shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard I will be assigned to a Post distinguished by the County as a lower potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard I must be 18 years of age and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Services Sites, or a restricted area within a Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Sites.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Service Site and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluate the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by Service Sites.
- Logging activities and events on the Daily Activity Report (DAR).

BACKGROUND INVESTIGATIONS:

Each Guard I is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard I or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard I must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard I, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard I may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard I must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

EXHIBIT C
PRICING SCHEDULE

This Exhibit C (Pricing Schedule) to the Agreement sets forth the pricing and payment terms for provision of Services pursuant to the Agreement. The terms or phrases used herein without definitions shall have the meanings given to such in the Agreement, including the Statement of Work.

1.0 PRICING AND PAYMENTS

1.1 SERVICE FEES

The fees for Services ("Service Fee(s)") specified in this Pricing Schedule are the maximum amounts that shall be payable by County to Contractor for the Services provided pursuant to the Agreement. Unless amended pursuant to a duly authorized amendment to the Agreement, the Service Fees shall not increase during the term of the Agreement. Contractor shall invoice County the Service Fees for Services provided in accordance with the requirements of the Statement of Work. Unless otherwise provided in the Agreement, Service Fees shall include any and all costs and fees associated with the provision of Services.

Contractor shall provide all Services and fulfill all requirements of the Statement of Work in exchange for the Service Fees specified below.

1.2 PRICING TERMS

Pricing and reimbursement for Services provided pursuant to the Agreement shall be subject to the following terms and conditions:

SECURITY STAFF CLASSIFICATION	YEAR 1 HOURLY RATE	YEAR 2 HOURLY RATE	YEAR 3 HOURLY RATES	YEAR 4 HOURLY RATE	YEAR 5 HOURLY RATE
GUARD I	\$40.42	\$41.59	\$42.79	\$44.03	\$45.35
GUARD II	\$41.28	\$42.53	\$43.80	\$45.12	\$46.47
GUARD III	\$42.09	\$43.35	\$44.65	\$45.99	\$47.37
SUPERVISING GUARD	\$45.33	\$46.69	\$48.10	\$49.54	\$51.03
SECURITY MANAGER (HDRHC)	\$56.66	\$58.36	\$60.13	\$61.90	\$63.76
SECURITY MANAGER (MLK)	\$63.88	\$65.79	\$67.76	\$69.80	\$71.89
Area 1: Maximum Obligation			\$75,455,805		

2.0 INVOICING

2.1 INVOICING

Terms	☒ Monthly in Arrear ☐ Monthly in Advance ☐ Other _____
Due Date	☐ 15 th of each month ☐ End of each month ☐ Other _____
Submission	To contact(s) for billing identified in Exhibit E (County's Administration) or Attachment 1 (Service Sites) under Exhibit A (Statement of Work), as applicable.

Unless otherwise instructed by County, Contractor shall submit a separate invoice for each Service Site, if any, to County's Project Manager or the Service Site PM, as applicable. All invoices submitted by Contractor shall include a billing summary of the Services provided. County and Contractor will agree on the invoice format, which shall include, at a minimum, the information specified below:

1. Invoice #
2. Invoice Date
3. Service Site, if any
4. Date of Services
5. Description of Services
6. Service Fees
7. Total invoice amount

2.2 EXPENSES

Unless specified otherwise in the Agreement or the Statement of Work, the Service Fees specified in this Pricing Schedule are the only amounts that Contractor may charge County and be reimbursed for provision of Services under the Agreement, and County shall not pay Contractor overtime premiums, travel expenses, meals, lodging, holidays, vacation, sick leave, per diem or any other expenses that may be incurred by Contractor in the course of provision of the Services.

If Contractor is authorized under the Agreement or by County to be reimbursed for expenses (mileage, parking, etc.) incurred in the course of provision of Services in addition to the Service Fees payable under the Agreement, the reimbursement rates for such expenses shall not exceed those approved by County for reimbursement to County employees.

EXHIBIT D
ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR'S NAME Universal Protection Service, LP dba Allied Universal Security Services

COUNTY AGREEMENT NO. _____

GENERAL INFORMATION:

Contractor referenced above has entered into the County Agreement identified above (hereafter "County Agreement") to provide certain services to the County of Los Angeles (hereafter "County"). County requires Contractor to sign this Contractor Acknowledgement and Confidentiality Agreement (hereafter "Confidentiality Agreement").

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that Contractor employees, consultants, outsourced vendors, independent contractors and agents (hereafter "Contractor's Staff") that will provide services pursuant to the above referenced County Agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced County Agreement.

Contractor understands and agrees that Contractor's Staff are not employees of County for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of work under the above-referenced County Agreement. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by County and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with County. County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor understands and agrees that if it or Contractor's Staff are involved in County work, County must ensure that Contractor and Contractor's Staff will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by it or Contractor's Staff for County.

Contractor, on behalf of itself and Contractor's Staff, hereby agrees that neither it nor Contractor's will divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced County Agreement. Contractor agrees that it and Contractor's Staff shall forward to County's Project Manager all requests for the release of any data or information received.

Contractor agrees that it and Contractor's Staff shall keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from County, design concepts, algorithms, programs, formats,

documentation, Contractor's proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the County Agreement. Contractor further agrees that it and Contractor's Staff shall protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor also agrees that if proprietary information supplied by other County vendors is provided to Contractor's Staff during employment, Contractor and Contractor's Staff shall keep such information confidential during and following the term of the County Agreement.

Contractor agrees that it and Contractor's Staff shall report any and all violations of this Confidentiality Agreement by Contractor or Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor acknowledges that violation of this Confidential Agreement by Contractor or Contractor's Staff may subject Contractor and Contractor's Staff to civil and/or criminal action and that County may seek all possible legal redress.

SIGNATURE: Steve Claton

DATE: 04/29/2026

PRINTED NAME: Steve Claton

POSITION: Regional President

EXHIBIT E
COUNTY'S ADMINISTRATION

COUNTY'S PROJECT DIRECTOR

Name Julio C. Alvarado

Title Director, Contracts Administration & Monitoring

Phone (213) 288-7819

Email jalvarado@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER

Name Matthew Ohan

Title Staff Analyst, Health

Phone 562-385-6563

Email mohan@dhs.lacounty.gov

SERVICE SITE – SERVICE SITE PROJECT MANAGER / BILLING

Name Joseph Mesina

Title Fiscal Officer II

Phone 626-525-5265

Email jomesina@dhs.lacounty.gov

EXHIBIT F
CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S WEBVEN VENDOR ID: 130628

CONTRACTOR'S PROJECT DIRECTOR

Name Anadelys Perez

Title Director of Operations, Healthcare

Address 21300 Victory Blvd., Suite 600, Woodland Hills, CA 91367

Phone ofc. 818-227-1240 cell. 562-233-3939

Email anadelys.perez@aus.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name Edward Eccles

Title Regional Vice President

Address 21300 Victory Blvd., Suite 600, Woodland Hills, CA 91367

Phone ofc. 818-227-1240 cell.919-475-5894

Email edward.eccles@aus.com

Name Steve Claton

Title Regional President

Address 450 Exchange, Irvine, CA 92602

Phone 714-619-9700

Email steve.claton@aus.com

EXHIBIT G
CHARITABLE CONTRIBUTIONS CERTIFICATION

[Vendor/Contractor]: Universal Protection Service 

Address: 450 Exchange, Irvine, CA 92614 

Internal Revenue Service Employer Identification Number: 33-0973846

☐ The Agency or Contractor is exempt from the California Nonprofit Integrity Act.

California Registry of Charitable Trusts "CT" number (if applicable): NA

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒ Vendor or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Vendor engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Vendor or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

Steve Claton

Digitally signed by Steve Claton
Date: 2026.04.29 13:58:38 -07'00'

Signature

Date: 04-29-2026

Name of Signer: Steve Claton

Title: President

DEPARTMENT OF HEALTH SERVICES



AGREEMENT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

INTER-CON SECURITY SYSTEMS, INC.

FOR

SECURITY GUARD SERVICES

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EXHIBITS

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- B** Statement of Work
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**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
INTER-CON SECURITY SYSTEMS, INC.
FOR
SECURITY GUARD SERVICES**

This Agreement, including the Exhibits, is made and entered into on the 1st day of October, 2026, (hereinafter "Effective Date") by and between the County of Los Angeles (hereinafter "County") and Inter-Con Security Systems, Inc. (hereinafter "Contractor"), located at 210 South De Lacey Ave, Pasadena, CA 91105.

RECITALS

WHEREAS, pursuant to Sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services, the facilities, premises and other service sites; and

WHEREAS, County may contract for Security Guard Services when certain requirements are met; and

WHEREAS, Contractor is a private entity specializing in the provision of Security Guard Services (hereinafter "Services") that may be solicited by County; and

WHEREAS, this Agreement is authorized pursuant to the provisions of Sections 26227 and 31000 of the California Government Code and Section 1451 of the California Health and Safety Code; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide the Services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

1.1 INTERPRETATION

The Exhibits attached to this base document (hereinafter "Base Agreement") form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule or the contents or description of any task, deliverable, goods, service or other work or otherwise between the Base Agreement and the Exhibits, or among Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Base Agreement, then to Exhibit A (Additional Provisions) (hereinafter "Additional Provisions") and then to the remaining Exhibits in alphabetical order.

Paragraph headings are utilized throughout this Agreement for convenience and reference only and are not intended to define the scope of any provision hereof.

Unless specified otherwise, any Paragraph references herein shall be made to the provisions of the Base Agreement.

1.2 ENTIRE AGREEMENT

This Agreement constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 8.1 (Amendments and Modifications) and signed by both parties.

2.0 DEFINITIONS

The terms and phrases in this Paragraph, with the initial letter capitalized where applicable, whether singular or plural, whenever used in this Agreement shall have the particular meanings set forth below.

2.1 GENERAL DEFINITIONS

- 2.1.1 “Additional Services”** – shall mean the Services other than those required to be provided pursuant to the Statement of Work.
- 2.1.2 “Agreement”** – shall mean and refer to this agreement executed between County and Contractor setting forth the terms and conditions for Contractor’s performance and provision of Services as specified herein, including Exhibit B (Statement of Work).
- 2.1.3 “Board”** – shall mean County’s Board of Supervisors.
- 2.1.4 “DHS”; “Department”** – County’s Department of Health Services.
- 2.1.5 “Director”** – shall mean the Director of DHS or authorized designee.
- 2.1.6 “Fiscal Year”** – shall mean a twelve-month period beginning on July 1st and ending on June 30th of the following year.
- 2.1.7 “Pricing Schedule”** – shall mean a schedule of rates, fees and any other terms and conditions for provision of Services under the Agreement set forth in Exhibit C (Pricing Schedule) to the Agreement.
- 2.1.8 “Required Services”** – shall mean the Services described in the Statement of Work that are required to be provided by Contractor under the Agreement.
- 2.1.9 “Service Fees”** – shall mean rates and fees for provision of Services under the Agreement.
- 2.1.10 “Service Site”** – shall mean and refer to any one of County’s healthcare facilities or other sites for which Services may be provided under the Agreement, including those that may be specified in Exhibit B (Statement of Work) and any or all of those identified in <https://dhs.lacounty.gov/our-locations>, such as Medical Centers and any associated Comprehensive Health Centers, Outpatient Centers and health centers, as well as administrative offices.

- 2.1.11** “**Service Site Project Manager**; “**Service Site PM**” – shall mean and refer to any individual designated by County's Project Manager for a Service Site, as such may be identified in Exhibit E (County's Administration) to the Agreement.
- 2.1.12** “**Services**” – shall mean goods, services and any other work that may be provided by Contractor pursuant to this Agreement, including Exhibit B (Statement of Work).
- 2.1.13** “**Statement of Work**”; “**SOW**” – shall mean Contractor's obligations and other requirements for provisions of Services hereunder as set forth in Exhibit B (Statement of Work) to the Agreement, including any sub-Exhibit(s) and Attachment(s) thereto.

3.0 WORK

3.1 PERFORMANCE OF SERVICES

Pursuant to the provisions of this Agreement, Contractor shall fully perform, complete and deliver on time all tasks, deliverables and other Services as set forth herein, including Exhibit B (Statement of Work), at the rates and fees set forth in Exhibit C (Pricing Schedule).

3.2 GRATUITOUS EFFORT

If Contractor provides any tasks, deliverables, services or other work to County other than those Services specified in this Agreement or that exceed the maximum County obligation that may be allocated for such Services, such tasks, deliverables, services or other work shall be deemed a gratuitous effort on the part of Contractor, for which Contractor shall have no claim whatsoever against County.

4.0 TERM OF AGREEMENT

4.1 TERM

The term of the Agreement shall commence on the Effective Date as reflected on the top of Page 1 of this Base Agreement, following its execution by the parties, and shall continue in full force and effect for five (5) years (hereinafter "Initial Term"), with up to three (3) one-year extension options (hereinafter each "Extension Term"), unless extended or sooner terminated, in whole or in part, as provided herein.

4.2 PERFORMANCE HISTORY

County maintains databases that track/monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a term extension option.

4.3 EXPIRATION NOTIFICATION

Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the DHS contact(s) identified in Exhibit E (County's Administration).

5.0 PAYMENTS AND INVOICING

5.1 PRICING AND PAYMENTS

5.1.1 Written Approval for Reimbursement

Contractor shall be paid under this Agreement only for the Services satisfactorily performed at the rates and fees specified in Exhibit C (Pricing Schedule). Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder. Assumption or takeover of any of Contractor's duties, responsibilities or obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with County's express prior written approval.

5.1.2 Third Party Reimbursement

Unless and to the extent otherwise expressly permitted in the Agreement, (i) Contractor shall not bill any patient or any payor for Services provided hereunder; (ii) shall consider payment by County to be payment in full for such Services; and (iii) shall assign to County rights to payment by any patient or third party payor, including Medicare and Medi-Cal, for any Services rendered pursuant to this Agreement.

5.1.3 The Agreement rates and fees ("Service Fees") shall not exceed those specified in the Pricing Schedule for each year of the Initial Term of the Agreement. Contractor may request an increase in the Service Fees for the Extension Term. Upon such request, the parties will mutually agree on an adjustment to the Service Fees pursuant to an amendment or other appropriate Agreement modification as authorized by the Board.

5.2 INVOICING

5.2.1 Submission of Invoices

Contractor's invoices for Services shall be priced and submitted in accordance with Exhibit C (Pricing Schedule) and shall contain, at a minimum, as applicable, description of the Services for which payment is claimed (tasks, deliverables, goods, services, etc.), hours worked and the Service Site(s) for which Services were provided. All invoices and supporting documentation shall be submitted to the person(s) designated in Exhibit E (County's Administration) by the 15th calendar day of the month following provision of the Services, unless otherwise stated in Exhibit C (Pricing Schedule) or required by law or County policy.

5.2.2 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of County's Project Manager, or authorized designee, for Services for which payment is claimed prior to any payment thereof. In

no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.2.3 Payment of Invoices

Provided that Contractor is not in breach of any provision of this Agreement, and it is not otherwise required by law or specified elsewhere in the Agreement, including Exhibit C (Pricing Schedule), County will pay properly submitted undisputed invoices within thirty (30) days of receipt by County. County's failure to pay within thirty (30) days or other appropriate period, however, shall not be deemed as automatic invoice approval or acceptance by County of any deliverable for which payment is sought, nor shall it entitle Contractor to impose an interest or penalty in any form on any late payment.

5.3 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

5.4 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.4.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with County shall be Electronic Funds Transfer (hereinafter "EFT") or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (hereinafter "A-C").

5.4.2 Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and shall comply with all accounting, record keeping, and tax reporting requirements.

5.4.3 Any provision of law, grant or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.4.4 At any time during the duration of this Agreement, Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with

the contracting department(s), shall decide whether to approve exemption requests.

5.5 PREFERENCE PROGRAM ENTERPRISES – PROMPT PAYMENT PROGRAM

If certified in accordance with the applicable Chapter of the Los Angeles County Code as a Local Small Business Enterprise (hereinafter "LSBE"), a Social Enterprise (hereinafter "SE") or a Disabled Veterans Business Enterprise (hereinafter "DVBE") (hereinafter, each also a "Preference Program Enterprise" or "PPE"), Contractor will receive prompt payment for Services provided to County under the Agreement. Prompt payment is defined as fifteen (15) calendar days after receipt by County of a proper undisputed invoice, which has been validated against appropriate documentation, consistent with Board Policy 3.035 ([Preference Program Payment Liaison and Prompt Payment Program](#)).

6.0 ADMINISTRATION OF AGREEMENT – COUNTY

The Director, or authorized designee, shall have the authority to administer this Agreement on behalf of County and retains professional and administrative responsibility for the Services rendered under this Agreement. Other key County personnel administering the Agreement on behalf of County are referenced in the Paragraph(s) below and identified in Exhibit E (County's Administration). The key County personnel identified herein are not authorized to make changes to any of the terms or conditions of this Agreement or to further obligate County in any respect whatsoever, unless and except as may be authorized by the Board and in accordance with the terms of the Agreement, including Paragraph 8.1 (Amendments and Modifications). County will notify Contractor in writing of changes in the names or contact information specified in Exhibit E (County's Administration).

6.1 COUNTY'S PROJECT DIRECTOR

County's Project Director has the authority to negotiate and recommend all changes to this Agreement and to resolve disputes between County and Contractor.

6.2 COUNTY'S PROJECT MANAGER

County's Project Manager is County's chief contact person with respect to the day-to-day administration of this Agreement, who will be responsible for:

- Monitoring Contractor's performance of the Agreement.
- Examining the quality of any and all tasks, deliverables, goods, services and other work provided by Contractor hereunder.
- Providing direction to Contractor in the areas relating to policy, information and procedural requirements.

County's Project Manager may have a designee at any Service Site, who will be a Service Site PM for that Service Site. Unless specified otherwise, reference to County's Project Manager shall include a designee for the applicable Service Site. County's Project Manager designated for each Service Site will be the approving authority for invoices for such Service Site.

7.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

Contractor shall designate the personnel referenced in the Paragraph(s) below and identified in Exhibit F (Contractor's Administration) for administering the Agreement on behalf of Contractor. Contractor shall notify County in writing of any change in the name or contact information of any such personnel within five (5) business days of the change.

7.1 CONTRACTOR'S PROJECT DIRECTOR

Unless the Agreement is with a sole practitioner for provision of Specialty Medical Services (hereinafter "SMS") or otherwise instructed in writing by authorized County personnel, Contractor shall designate Contractor's Project Director for the term of the Agreement. Contractor's Project Director shall be responsible for Contractor's performance of and compliance with this Agreement. Contractor's Project Director shall coordinate and/or meet with County as required by County for performance of this Agreement.

7.2 CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials for executing instruments under this Agreement on behalf of Contractor.

7.3 APPROVAL OF CONTRACTOR'S STAFF

County has the absolute right to approve or disapprove all of Contractor's staff performing Services under this Agreement, and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Director, if any.

7.4 CONFIDENTIALITY

7.4.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.4.2 Furthermore, Contractor shall: (i) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (ii) promptly transmit to County all requests for disclosure of any such records or information; (iii) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the information is releasable; and (iv) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information in accordance with the written procedures that may be provided or made available to Contractor by County for this purpose.

7.4.3 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and

volunteers, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.4, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

7.4.4 Contractor shall inform all of its officers, employees, agents and subcontractors providing that may provide Services under this Agreement of the confidentiality and indemnification provisions of this Agreement.

7.4.5 Contractor shall sign and adhere to the provisions of Exhibit D (Acknowledgement and Confidentiality Agreement) on behalf of itself and all of its employees, subcontractors, agents and other persons who may provide work for or on behalf of Contractor under the Agreement.

7.5 STAFF PERFORMANCE UNDER THE INFLUENCE

Contractor shall not knowingly permit any employee to perform Services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic or other substance which might impair physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS AND MODIFICATIONS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes to any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph below.

8.1.1 For any change which materially affects any term or condition of this Agreement, an Amendment to the Agreement, shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.1.2 For any change that does not materially affect any term or condition of this Agreement, a modification to the Agreement (Administrative Amendment, Change Notice, Change Order, etc.) shall be prepared by County and signed by Contractor.

8.1.3 The Board or County's Chief Executive Officer (hereinafter "CEO"), or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement. County reserves the right to add and/or change such provisions as required by the Board, the CEO, or authorized designee. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

- 8.1.4** The Director, or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in Federal and/or State law or regulation. County reserves the right to add and/or change such provisions as required by law or regulation to preserve this Agreement's conformity and compliance to Federal and/or State law or regulation. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1** Contractor shall notify County of any pending acquisitions/mergers of its entity unless otherwise legally prohibited from doing so. If Contractor is restricted from legally notifying County of pending acquisitions/mergers, then it should notify County of the actual acquisitions/mergers as soon as the law allows and provide to County the legal framework that restricted it from notifying County prior to the actual acquisitions/mergers.
- 8.2.2** 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 the 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.
- 8.2.3** Any assumption, assignment, delegation or takeover of any of Contractor's duties, responsibilities or obligations or performance of same by any entity other than 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 the 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.

8.3 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.

8.4 BUDGET REDUCTIONS

In the event that County's Board adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County

employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by Contractor under this Agreement will also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor must continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

Contractor hereby acknowledges that 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, other principals, employees or independent contractors 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 owners, officers, partners, directors, other principals, employees or independent contractors 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 the aforementioned parties either be suspended, debarred, ineligible or excluded from securing Federally funded contracts. Contractor shall reimburse County for any and all associated costs (repayment, fine and/or penalty) that may be incurred by County as a result of inappropriate claims submitted by or on behalf of one of its staff or vendors that was excluded or suspended regardless of Contractor's prior knowledge of such exclusion or suspension. Failure by Contractor to comply with this provision shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

8.6 COMPLAINTS

Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

- 8.6.1** Within ten (10) business days of the Effective Date of this Agreement, Contractor shall provide to County with Contractor's policy for receiving, investigating and responding to user complaints.
- 8.6.2** County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
- 8.6.3** If County requests changes to Contractor's policy, then Contractor shall make such changes and resubmit the plan within ten (10) business days to County for approval.

- 8.6.4** If, at any time, Contractor wishes to change its policy regarding complaints, Contractor shall submit proposed changes to County for approval prior to implementing the changes.
- 8.6.5** Contractor shall preliminarily investigate all complaints and notify County's Project Manager, or authorized designee, of the status of the investigation within fifteen (15) business days of receiving the complaint.
- 8.6.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted, which shall adhere to formal plans for specific actions and strict time deadlines.
- 8.6.7** Copies of all written responses shall be sent to County's Project Manager, or authorized designee, within fifteen (15) business days of being mailed to the complainant.

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

- 8.7.1** In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to, standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.
- 8.7.2** Contractor shall indemnify, defend, and hold harmless County, its officers, employees, agents and volunteers from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, its officers, employees, agents or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies or procedures, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.7.3 Facility Rules and Regulations

At any time that Contractor's agents, employees or subcontractors are at a Service Site or other County facility for provision of Services under this Agreement, Contractor and such persons shall be subject to the rules and regulations of that facility. County will provide or make available to Contractor a copy of rules and regulations pertaining to the facility upon execution of this Agreement and updates during its term. It is the responsibility of Contractor to acquaint all persons who may provide Services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from the provision of Services hereunder upon receipt of written notice from the Director that: (i) such employee or subcontractor has violated such rules or regulations, or (ii) such

employee's or subcontractor's actions while at the County facility may adversely affect the delivery of health care services to County patients.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS – ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.

8.8.2 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations

8.8.3 Contractor certifies to County each of the following:

- a)** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- b)** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- c)** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- d)** Where problem areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables.

8.8.4 Contractor shall take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such actions shall include, but are not limited to, employment, upgrading, demotion, transfer, recruitment and recruitment advertising, layoff and termination,

rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.8.5** Contractor certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation.
- 8.8.6** Contractor certifies and agrees that it, its affiliates, subsidiaries and holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.
- 8.8.7** Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.7 when so requested by County.
- 8.8.8** If County finds that any provisions of this Paragraph 8.7 have been violated, such violation shall constitute a material breach of this Agreement, upon which County may terminate or suspend this Agreement. While 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 Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 8.8.9** The parties agree that in the event that Contractor violates any of the anti-discrimination provisions of this Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) from Contractor for each such violation, pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating or suspending this Agreement.

8.9 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereinafter "Jury Service Program"), as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

8.9.2 Written Employee Jury Service Policy

- a) Unless Contractor has demonstrated to 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 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 Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.
- b) For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with 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 contracts 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: (i) the lesser number is a recognized industry standard as determined by County, or (ii) 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 a subcontractor to perform Services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to such agreement.
- c) 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 Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to 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.

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

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with 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 other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the performance of work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such work or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

8.10.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that 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, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph 8.9 shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR ON A COUNTY RE-EMPLOYMENT 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 re-employment list during the term of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/ START PARTICIPANTS

8.12.1 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 County's Department of Public Social Services (hereinafter "DPSS") Greater Avenues for Independence (hereinafter "GAIN") Program or Skills and Training to Achieve Readiness for Tomorrow (hereinafter "START") Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/START participants by job category to Contractor. Contractor shall report all job openings with job requirements to: gainstart@dpss.lacounty.gov and

bservices@opportunity.lacounty.gov; and DPSS will refer qualified GAIN/START job candidates.

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

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

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

8.13.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

8.13.3 Non-responsible Contractor

County may debar Contractor if County's Board of Supervisors (hereinafter "Board") finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity or a nonprofit corporation created by 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 County or any other public entity.

8.13.4 Contractor Hearing Board

- a) If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- b) The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or 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 Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

- c) 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 Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- d) If 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. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (i) elimination of the grounds for which the debarment was imposed; (ii) a bona fide change in ownership or management; (iii) material evidence discovered after debarment was imposed; or (iv) any other reason that is in the best interests of County.
- e) The Contractor Hearing Board will consider a request for review of a debarment determination only where (a) Contractor has been debarred for a period longer than five (5) years; (b) the debarment has been in effect for at least five (5) years; and (c) 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.
- f) 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. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of Contractor.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.15 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.15.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts 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.

8.15.2 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 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding 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).

8.16 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.16.1 Contractor hereby warrants that neither it nor any of its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify the Director within ten (10) calendar days in writing of: (i) any event that would require Contractor or any aforementioned parties mandatory exclusion or suspension from participation in a Federally funded health care program; and (ii) any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

- 8.16.2** Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.
- 8.16.3** Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8.17 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will monitor Contractor's performance under this Agreement, which will include assessing Contractor's compliance with all Agreement terms and conditions and performance standards, as further specified in Exhibit B (Statement of Work). Contractor deficiencies which 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 and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by 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 the Agreement.

8.18 DAMAGE TO COUNTY FACILITIES, BUILDINGS AND GROUNDS

- 8.18.1** Contractor shall repair, or cause to be repaired, at its own cost and expense, any and all damage other than normal wear and tear to County facilities, buildings or grounds caused by Contractor or employees, agents or subcontractors of Contractor during performance of Services under this Agreement. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 8.18.2** If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.
- 8.18.3** County reserves the unilateral right to make any repairs which the Director or authorized designee determines, upon sole discretion, to be a public safety issue requiring immediate repair. County, at its option, will bill Contractor for the cost of such repairs and/or deduct the cost of such repairs from any outstanding amounts owed by County to Contractor.

8.19 EMPLOYMENT ELIGIBILITY VERIFICATION

- 8.19.1** Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet

the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain from all employees performing work hereunder all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

- 8.19.2** Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, employees and volunteers from employer sanctions and any other liability which may be assessed against Contractor or County, or both, in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.20 COUNTERPARTS; ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Agreement and any Amendments or modifications thereto may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

County and Contractor hereby agree to regard appropriate facsimile or digital representations of original signatures of authorized officers of each party on the Agreement related documents, received via an electronic communicative (facsimile, email or electronic signature), as legally sufficient evidence that legally binding signatures have been affixed to such documents.

8.21 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 and its agents, officers, employees and volunteers 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 work performed by Contractor's employees, for which County may be found jointly or solely liable, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.22 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of Services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorized representatives, the agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of Services provided 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 twelve (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.

8.23 PERFORMANCE DURING EMERGENCIES/FORCE MAJEURE EVENTS

Contractor recognizes that healthcare facilities maintained by County, including the Service Sites, provide care essential to the residents of the communities they serve and that these Service Sites may be of particular importance at the time of a fire, flood, epidemic, quarantine restriction, riot, insurrection, civil unrest, natural disaster/occurrence, strike, lockout, freight embargo or other similar event (hereinafter in this Paragraph each such event is referred to as an "emergency" or "force majeure event").

Notwithstanding any other provision of this Agreement, full performance by Contractor during any emergency is not excused if such performance remains physically possible, unless otherwise directed by County. Failure by Contractor to comply with this requirement shall be considered a material breach by Contractor, for which County may immediately terminate this Agreement.

In the event Contractor's failure to perform arises as a result of an emergency, 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 delays caused by such emergency/force majeure event.

8.24 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 Los Angeles County.

8.25 PROTECTION OF MEDICAL INFORMATION

8.25.1 Health Insurance Portability and Accountability Act Compliance

Contractor acknowledges the existence of the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA") and its implementing regulations. Contractor further acknowledges and agrees that, as a provider of Services under this Agreement, it has obligations with respect to the confidentiality, privacy and security of patient' medical information (also, "PHI" under HIPAA) and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

Contractor, therefore, agrees that (a) it and any staff providing Services under this Agreement shall preserve the confidentiality of PHI and shall comply with all other obligations and provisions relating to HIPAA that may be specified herein, including Exhibit A (Additional Provisions) to the Agreement, and (b) it shall indemnify and hold harmless County

(including its officers, employees, agents and volunteers) for any damages to County that may be attributable to failure to preserve the confidentiality of PHI or to comply with the applicable obligations under HIPAA, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.25.2 Confidentiality of Medical Information Act

Contractor acknowledges that County is subject to the Confidentiality of Medical Information Act (hereinafter "CMIA"), which protects the confidentiality of individually identifiable medical information obtained by health care providers. As a contractor of County, Contractor, therefore, agrees to comply with the CMIA and shall not disclose any stored or accessible medical information regarding a patient, enrollee or subscriber.

8.25.3 Remedies

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.25 shall constitute a material breach of this Agreement, upon which County may suspend or terminate the Agreement for default, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 25 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

8.26 INDEPENDENT CONTRACTOR STATUS

8.26.1 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.

8.26.2 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. Consistent with the foregoing, County shall have no liability, and Contractor shall be solely and fully liable and responsible, to any of Contractor's employees, subcontractors or other persons providing work under this Agreement on behalf of Contractor, if any such person is unable to work or is required to stop working

(permanently or temporarily) as a result of the person's exposure to an infectious disease or other hazard while performing work pursuant to the Agreement, even if such person complied with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including those relating to the work site. Nothing in this Paragraph is intended in any way to alter or release Contractor from obligation to obtain and maintain the requisite workers' compensation coverage pursuant to Paragraph 8.29.3 (Workers' Compensation and Employers' Liability) below.

8.26.3 Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely 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 work performed by or on behalf of Contractor pursuant to this Agreement.

8.26.4 Contractor shall adhere to the provisions of Paragraph 7.5 (Confidentiality).

8.27 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers (hereinafter "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 Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under the Agreement shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its reasonable judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

8.28 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, during the term of the Agreement, coverage satisfying the requirements specified in this Paragraph 8.28 and Paragraph 8.29 (Insurance Coverage) below. These minimum insurance coverage terms, types and limits (hereinafter "Required Insurance") also are in addition to and separate from any other contractual obligations imposed

upon Contractor pursuant to this Agreement, including those that may be specified in Exhibit A (Additional Provisions) to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Agreement.

8.28.1 Evidence of Coverage and Notice to County

- a) Certificate(s) of insurance coverage (hereinafter "Certificate") satisfactory to County and a copy of an Additional Insured endorsement confirming County and its Agents (as defined below) has been given Insured status under Contractor's General Liability policy shall be delivered to County at the email address specified 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. 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 must match the name of 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 County's failure to obtain, nor 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 Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- e) Certificates and copies of any required endorsements shall be emailed to the County of Los Angeles, Department of Health Services, Contracts and Grants Division, as the Certificate Holder at:

cgcontractorinsurance@dhs.lacounty.gov
- f) 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 subcontractors which arises from or relates to this Agreement and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.28.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (hereinafter 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 County. County's and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed 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.

8.28.3 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 ten (10) days in advance of cancellation for non-payment of premium and thirty (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 this Agreement, in the sole discretion of County, upon which County may suspend or terminate this Agreement.

8.28.4 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 this Agreement, upon which County immediately may withhold payments due to Contractor and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, 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.

8.28.5 Insurer Financial Ratings

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

8.28.6 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.

8.28.7 Waivers of Subrogation

To the fullest extent permitted by law, 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. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.28.8 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 that each subcontractor complies with the Required Insurance provisions herein and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and written approval of any subcontractor request for modification of the Required Insurance.

8.28.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects 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.

8.28.10 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 no less than three (3) years following the Agreement's expiration, termination or cancellation.

8.28.11 Application of Excess Liability Coverage

Contractor 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.

8.28.12 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.

8.28.13 Alternative Risk Financing Programs

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. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.28.14 County Review and Approval of Insurance Requirements

County reserves the right to review and adjust the Required Insurance provisions based on County's determination of changes in risk exposures.

8.29 INSURANCE COVERAGE

Contractor shall obtain and maintain for the term of the Agreement the insurance programs and coverages as specified in this Paragraph below.

8.29.1 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:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.29.2 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.

8.29.3 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 County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (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.

8.30 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees and agents that perform Services under this Agreement obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations and certificates required by law, which are applicable to their performance of Services hereunder. All such licenses, permits, registrations, accreditations and certifications relating to Services hereunder shall be made available by Contractor to County upon request, unless stated otherwise in the Statement of Work or instructed by County.

8.31 LIQUIDATED DAMAGES

8.31.1 If, in the judgment of the Director, or authorized designee, Contractor is deemed to be non-compliant with the terms or obligations assumed hereby, the Director, or authorized designee, upon sole discretion, in addition to and/or in lieu of other remedies provided herein, may withhold or deduct from the payments due to Contractor by County or otherwise withhold certain amount(s) for deficiently performed Services, including delays, as specified in this Paragraph below. A description of the deficiencies and the amount(s) to be deducted from payments due to Contractor or otherwise withheld will be provided to Contractor by the Director, or authorized designee, in a written notice describing the reasons for such action.

8.31.2 If the Director, or authorized designee, determines that there are deficiencies in the performance of this Agreement, which in the judgment of the Director, or authorized designee, are deemed correctable by Contractor within a reasonably short period of time, the Director, or authorized designee, will provide a written notice to Contractor to correct the deficiencies within a specified time frame. Should Contractor fail to correct deficiencies within such time frame, the Director may:

a) To the extent applicable, deduct applicable pro rata portions of the amounts payable to Contractor; and/or

b) Deduct Liquidated Damages

The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct the deficiencies within the specified time frame. The parties, therefore, hereby agree that, under the current circumstances, a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, and Contractor shall be liable to County for liquidated damages in such amount. Any liquidated damages assessed by County

under the Agreement shall be deducted or otherwise withheld from County's payments due to Contractor; and/or

- c) Upon five (5) days' prior notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and deduct from County's payments due to Contractor or otherwise withhold the total costs incurred by County for completion of the work by an alternate source, whether by County or a County engaged third party, as determined by County.

8.31.3 Assessment by County of liquidated damages as described in this Paragraph above shall not be construed as a penalty, but as adjustment of payment(s) to Contractor for County's recovery of the costs due to the failure of Contractor to complete or comply with the provisions of this Agreement.

8.31.4 This Paragraph shall not, in any manner, restrict or limit County's right to damages for any breach of this Agreement provided by law or as otherwise specified in the Agreement and shall not, in any manner, restrict or limit County's right to terminate this Agreement.

8.32 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline or Contractor provides at any time during the term of this Agreement the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality or district of the State at prices below those set forth in the Agreement, then such lower prices shall be immediately extended to County.

8.33 NON-EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.34 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.35 NOTICE OF DISPUTES

Contractor shall bring to the attention of County's Project Manager, or authorized designee, any dispute between County and Contractor regarding the performance of Services. If such individual is not able to resolve the dispute on behalf of County, the dispute shall be escalated for resolution to County's Project Director, or authorized designee.

8.36 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 No. 1015.

8.37 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

Contractor shall notify and provide to its employees and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County and where and how to safely surrender a baby. Posters and other campaign materials are available on the Internet at babysafela.org.

8.38 NOTICES

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be mailed by first-class registered or certified mail, postage prepaid, or emailed to the applicable contacts identified in Exhibit E (County's Administration) and Exhibit F (Contractor's Administration). Contact information may be changed by either party by provision of a ten (10) days' prior written notice thereof to the other party.

8.39 PROHIBITION AGAINST INDUCEMENT AND PERSUASION

Notwithstanding any other provision of this Agreement, Contractor and County agree that, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.40 PUBLIC RECORDS ACT

8.40.1 Any documents submitted by Contractor; all information obtained in connection with County's right to audit and inspect Contractor's documents, books and accounting records provided pursuant to Paragraph 8.42 (Record Retention and Inspection/Audit Settlement) of this Agreement; as well as any documents that may have been submitted in response to a solicitation resulting in this Agreement, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements identified in the [California Government Code Section 7921 et seq.](#) (hereinafter "Public Records Act") and which are marked "trade secret", "confidential" or "proprietary". 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.

8.40.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records and/or contents of any response to a solicitation resulting in this Agreement, which is marked as "trade secret", "confidential" or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or

liability arising under the Public Records Act, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.41 PUBLICITY

8.41.1 Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Agreement within the following conditions:

- a) Contractor shall develop all publicity material in a professional manner; and
- b) During the term of this Agreement, Contractor shall not, and shall not authorize any others to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the Director, or authorized designee. County will not unreasonably withhold its consent.

8.41.2 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 8.41 shall apply.

8.42 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.42.1 Contractor shall maintain and, upon County's request, provide accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement, during the term of the Agreement and for a minimum of five (5) years following its expiration or termination (hereinafter in this Paragraph 8.42 "retention period").

8.42.2 Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy and transcribe any pertinent transaction, activity or record relating to this Agreement, including (hereinafter for purposes of this Paragraph 8.42 "records"). All such records, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Agreement and for the duration of the retention period thereafter, unless County's written permission is given to dispose of any such records prior to such time. All such records shall be maintained by Contractor at a location in Los Angeles County, provided that if any such records are located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem and any other

costs incurred by County to examine, audit, excerpt, copy and/or transcribe such records at such location outside of Los Angeles County.

In the event such records are maintained by Contractor at a location outside of Los Angeles County or if permitted by County, Contractor may satisfy the requirements of this Paragraph 8.42.2 by transmitting the records to County electronically, provided that (i) Contractor shall encrypt all records transmitted on networks outside of Contractor's control with Transport Layer Security (hereinafter "TLS") 1.2 or higher or Internet Protocol Security (hereinafter "IPSec"), at a minimum, cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer, or authorized designee, and (ii) all such records shall be rendered unusable, unreadable and indecipherable to unauthorized individuals. The parties may also agree on an alternate method of providing the requested records to County.

- 8.42.3** In the event that an audit of Contractor is conducted specifically regarding this Agreement by any Federal or State auditor or by any auditor or accountant employed by Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then Contractor shall file a copy of each such audit report, including Service Organization Controls (hereinafter "SOC1") Reports, with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.42.4** Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.42 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.
- 8.42.5** If, at any time during the term of this Agreement or during the retention period after the expiration or termination of this Agreement, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference shall be either: (a) prepaid by Contractor to County by cash payment upon demand or (b) at the sole option of County's Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. If such audit finds that County's dollar liability for such work is more than the payments made by County to Contractor for the work, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's maximum obligation for the provision of such work exceed the funds appropriated by County for the work.

8.43 RECYCLED BOND PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.44 RESTRICTIONS ON LOBBYING

If any Federal funds are to be used to pay for 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 provided under this Agreement also fully complies with all such certification and disclosure requirements.

8.45 SUBCONTRACTING

8.45.1 County has relied, in entering into this Agreement, on the reputation of and on obtaining the personal performance of Contractor. Consequently, no performance by Contractor of this Agreement may be subcontracted **without the advance written approval of County**. Any attempt by Contractor to subcontract without the prior written consent of County may be deemed a material breach of this Agreement.

8.45.2 If Contractor desires to subcontract, Contractor shall provide to County the following:

- a) A detailed description of the work to be performed by the proposed subcontractor;
- b) A draft copy of the proposed subcontract, unless otherwise instructed by County; and
- c) Other pertinent information and/or certifications requested by County.

8.45.3 Notwithstanding any provision of this Agreement to the contrary, Contractor shall indemnify, defend and hold harmless County, including its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, defense costs and legal, accounting or other expert consulting or professional fees, in any way arising from or related to Contractor's use of any subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.45.4 Notwithstanding County's consent to subcontract, in addition to the provisions under the Agreement that specifically apply to subcontractors, Contractor shall ensure that each subcontractor engaged for provision of Services hereunder complies with the following provisions:

- a) Base Agreement – Paragraph 7.4 (Confidentiality)

- b) Base Agreement – Paragraph 8.6 (Compliance with Applicable Laws, Rules and Regulations)
- c) Base Agreement – Paragraph 8.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws)
- d) Base Agreement – Paragraph 9 (Conflict of Interest)
- e) Base Agreement – Paragraph 8.18 (Damage to County Facilities, Buildings and Grounds)
- f) Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- g) Base Agreement – Paragraph 27 (Indemnification)
- h) Base Agreement – Paragraph 28 (General Provisions for all Insurance Requirements)
- i) Base Agreement – Paragraph 29 (Insurance Coverage)
- j) Base Agreement – Paragraph 8.30 (Licenses, Permits, Registrations, Accreditations and Certificates)
- k) Base Agreement – Paragraph 41 (Publicity)
- l) Base Agreement – Paragraph 42 (Record Retention and Inspection/ Audit Settlement)
- m) Base Agreement – Paragraph 56 (Unlawful Solicitation)
- n) Base Agreement – Paragraph 63 (Prohibition from Participation in Future Solicitations)
- o) Exhibit A (Additional Provisions) – Attachment 1 (HIPAA Compliance)
- p) Exhibit D (Acknowledgement and Confidentiality Agreement)

8.45.5 Contractor shall ensure that each proposed subcontractor is appropriately qualified for provision of Services for which subcontractor is being engaged and shall remain fully responsible for all performances required of Contractor under this Agreement, including those that Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract. Furthermore, subcontracting of any Services under this Agreement shall not be construed to limit, in any way, Contractor's performance, obligations or responsibilities to County or limit, in any way, any of County's rights or remedies contained in this Agreement.

8.45.6 County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor is responsible to notify its subcontractors of this County right.

8.45.7 The Director, or designee, is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor

employees. After approval of the subcontract by County, Contractor shall forward a fully executed subcontract to County for its files.

8.45.8 Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents and successors in interest arising through Services performed hereunder, notwithstanding County's consent to subcontract.

8.45.9 Contractor shall obtain certificates of insurance, which establish that either (i) the proposed subcontractor maintains all the programs of insurance required under this Agreement, or (ii) Contractor has procured such insurance coverage for the proposed subcontractor. Before any subcontractor employee may perform any work hereunder, Contractor shall ensure delivery of all such documents to:

cgcontractorinsurance@dhs.lacounty.gov.

8.46 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 Paragraph 8.15 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which County may terminate this Agreement pursuant to Paragraph 8.49 (Termination for Default) and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.202](#).

8.47 TERMINATION FOR CONVENIENCE

County may terminate or suspend this Agreement, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination/suspension of work hereunder shall be effected by notice to Contractor specifying the extent to which performance of work is terminated/suspended and the date upon which such termination/suspension will become effective, which will be no less than ten (10) days after the notice is provided. Contractor shall be subject to the requirements of Paragraph 8.54 (Effect of Termination) in the event of County's termination and, to the extent applicable, suspension of this Agreement as provided herein.

8.48 TERMINATION FOR DEFAULT

8.48.1 County may, by written notice to Contractor, terminate the whole or any part of this Agreement if, in the judgment of the Director or designee:

- a) Contractor has materially breached this Agreement;
- b) Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service or other work required under this Agreement; or
- c) Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement or of any obligations of this Agreement and, in either case, fails to

demonstrate convincing progress toward a cure within five (5) working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure; or

- d) Contractor or any of its personnel providing Services under the Agreement (i) fail to comply with any directions or instructions by or on behalf of County issued pursuant to the Agreement or (ii) may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

8.48.2 In the event that County terminates this Agreement in whole or in part as provided in Paragraph 8.49.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Paragraph.

8.48.3 Except with respect to defaults of any subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Paragraph 8.49.2 if its failure to perform this Agreement arises out of a force majeure event (as defined in Paragraph 23 (Performance During Emergencies/Force Majeure Events)); but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor and if such default arises out of causes beyond the control of both Contractor and subcontractor and without the fault or negligence of either of them, then Contractor shall not be liable for any such excess costs 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 the required performance schedule. As used in this Paragraph 8.49.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.48.4 If, after County has given notice of termination under the provisions of this Paragraph 8.49, it is determined by County that Contractor was not in default under the provisions of this Paragraph 8.49 or that the default was excusable under the provisions of Paragraph 8.49.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.48 (Termination for Convenience).

8.48.5 The rights and remedies of County provided in this Paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.49 TERMINATION FOR IMPROPER CONSIDERATION

8.49.1 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 this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to Contractor's performance pursuant to 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.

8.49.2 Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made to the County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

8.50 TERMINATION FOR INSOLVENCY

8.50.1 County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

a) Insolvency of Contractor

Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (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;

b) The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;

c) The appointment of a Receiver or Trustee for Contractor; or

d) The execution by Contractor of a general assignment for the benefit of creditors.

8.50.2 The rights and remedies of County provided in this Paragraph 8.51 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR NON-ADHERENCE TO COUNTY LOBBYIST ORDINANCE

Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#), retained by Contractor, shall fully comply with County's Lobbyist Ordinance under [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, in its sole discretion, immediately terminate or suspend this Agreement.

8.52 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until the Board appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.53 EFFECT OF TERMINATION

8.53.1 In the event of termination of this Agreement as provided hereunder or upon the expiration of the Agreement, as applicable, and unless otherwise specified by County in writing:

- a) Contractor shall continue the performance of this Agreement to the extent not terminated;
- b) Contractor shall cease to perform the Services being terminated on the date and to the extent specified in such notice and provide to County all Services and/or deliverables completed and those in progress on a media reasonably requested by County, if applicable;
- c) Where such termination is not due to default or breach by Contractor, County will pay to Contractor all sums due for Services properly performed through the effective date of such expiration or termination;
- d) Contractor shall return to County any monies paid in advance by County, yet unearned by Contractor, including any prepaid fees, no later than thirty (30) days after the date of County's termination of this Agreement, whether for convenience or any default or breach hereunder; and
- e) Contractor shall promptly return to County any and all of County's confidential information that relates to the portion of the Agreement terminated by County on a media reasonably requested by County.

8.53.2 After receipt of a notice of termination and except as otherwise directed by County, Contractor shall immediately:

- a) Stop work under this Agreement, as identified in such notice;
- b) Transfer title and deliver to County all completed work and work in process; and
- c) Complete performance of such part of the work as shall not have been terminated by such notice.

8.53.3 Following expiration or any termination of this Agreement, Contractor shall maintain all material including books, records, documents and any

other evidence bearing on the costs and expenses of Contractor under this Agreement, in accordance with Paragraph 8.42 (Record Retention and Inspection/Audit Settlement).

- 8.53.4** Expiration or termination of this Agreement for any reason will not release either party from any liabilities or obligations set forth in this Agreement, which (i) the parties have expressly agreed in writing will survive any such expiration or termination, or (ii) which remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.54 INTENTIONALLY OMITTED

8.55 VALIDITY AND ENFORCEABILITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, unenforceable or illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, and any part of the Agreement held to be invalid or unenforceable shall be revised so as to make it valid and enforceable, consistent with the intent of the parties expressed in that provision. The rights and remedies provided herein shall not be exclusive and are in addition to any other rights and remedies in law or equity.

8.56 WAIVER

No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or 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 8.58 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.57 WARRANTY AGAINST CONTINGENT FEES

- 8.57.1** 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 a 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.

- 8.57.2** For breach of this warranty, County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the amounts due to Contractor or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

8.58 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 8.58.1** 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.

- 8.58.2** 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 Agreement will maintain compliance, with [Los Angeles Code Chapter 2.206](#).

8.59 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure by Contractor to maintain compliance with the requirements set forth in Paragraph 8.16 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.206](#).

8.60 TIME OFF FOR VOTING

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](#)). No less than ten (10) days before every statewide election, 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 such [Section 14000](#).

8.61 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

- 8.61.1** Contractor acknowledges that County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

- 8.61.2** If Contractor or a member of Contractor's staff is convicted of a human trafficking offense, County shall require that Contractor or such member of Contractor's staff be removed immediately from performing services under this Agreement. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

- 8.61.3** Disqualification of any member of Contractor's staff pursuant to this Paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.62 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

Contractor shall comply and ensure that all of its subcontractors comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Employment Discrimination: Conviction History. Contractor's violation of this Paragraph of the Agreement may constitute a material breach of

the Agreement, upon which County may, in its sole discretion, terminate this Agreement.

8.63 COMPLIANCE WITH COUNTY POLICY OF EQUITY

Contractor acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (hereinafter "CPOE") (<https://ceop.lacounty.gov/>). Contractor further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Contractor, on behalf of itself, its employees and subcontractors, acknowledges and certifies receipt and understanding of the CPOE. Failure by Contractor, its employees or its subcontractors to uphold County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Contractor to termination of contractual agreements as well as civil liability.

8.64 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATIONS

A bidder, proposer or other respondent to a County solicitation or Contractor, as applicable, or a subsidiary or subcontractor thereof (hereinafter for purposes of this provision "Vendor"), is prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has provided advice or consultation for the solicitation. A Vendor is also prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has developed or prepared any of the solicitation materials on behalf of County. A violation of this provision shall result in the disqualification of the Vendor from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration or other termination of this Agreement.

8.65 INJURY AND ILLNESS PREVENTION PROGRAM

Contractor will be required to comply with the State of California's Cal OSHA's regulations. [California Code of Regulations Title 8 Section 3203](#) requires all California employers to have a written, effective Injury and Illness Prevention Program (hereinafter "IIPP") that addresses hazards pertaining to the particular workplace covered by such program.

8.66 CAMPAIGN CONTRIBUTION PROHIBITION

Pursuant to California [Government Code Section 84308](#), Contractor and its agents and subcontractors are prohibited from making a contribution of more than \$250 to any County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement.

By executing this Agreement, Contractor represents and warrants that neither it nor any of its agents or subcontractors shall make a contribution of more than \$250 to any County officer for twelve (12) months following the Effective Date of the Agreement.

Failure to comply with the provisions of California [Government Code Section 84308](#) and of this Paragraph may be a material breach of the Agreement as determined in the sole discretion of County.

8.67 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

8.68 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 Contractor and other County contractors to complete Exhibit G (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect County and its taxpayers. Any contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either Agreement termination or debarment proceedings or both. (County Code Chapter 2.202).

8.69 INTELLECTUAL PROPERTY INDEMNIFICATION

8.69.1 Contractor shall indemnify, defend and hold harmless County from and against any and all liability, damages, costs, losses, fees and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and/or utilization of Contractor's Services under this Agreement, including any products of or tools or methodologies used in the provision of Services hereunder, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.69.2 In the event any product of or tool or methodology used in the provision of any Services hereunder becomes the subject of any complaint, claim or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined or subjected to a risk of damages, Contractor, at its sole cost and expense, and provided that County's continued use of Contractor's Services is not materially impeded, shall do one or any of the following:

- a)** Procure for County all rights to continued use of the questioned product, tool or methodology; or
- b)** Replace the questioned product, tool or methodology with a non-questioned item; or
- c)** Modify the questioned product, tool or methodology to render it free of claims.

8.70 SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the

following Paragraphs and Exhibits shall survive any termination or expiration of this Agreement:

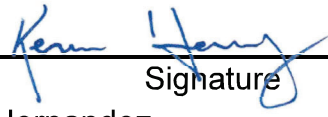
- Base Agreement – Paragraph 5.3 (No Payment for Services Provided Following Expiration/Termination of Agreement)
- Base Agreement – Paragraph 7.4 (Confidentiality)
- Base Agreement – Paragraph 8.7 (Compliance with Applicable Laws, Rules and Regulations)
- Base Agreement – Paragraph 8.24 (Governing Law, Jurisdiction and Venue)
- Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- Base Agreement – Paragraph 8.27 (Indemnification)
- Base Agreement – Paragraph 8.28 (General Provisions for All Insurance Coverage)
- Base Agreement – Paragraph 8.29 (Insurance Coverage)
- Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)
- Paragraph 8.46 (Termination For Breach Of Warranty To Maintain Compliance With County's Child Support Compliance Program)
- Paragraph 8.64 (Prohibition from Participation in Future Solicitations)
- Paragraph 8.70 (Survival)
- Exhibit A (Additional Provisions)
- Exhibit D (Acknowledgement and Confidentiality Agreement)

**AGREEMENT
FOR
SECURITY GUARD SERVICES**

IN WITNESS WHEREOF, Contractor has executed this Agreement or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

Inter-Con Security Systems, Inc.

By 
Signature
Kevin Hernandez

Printed Name
Chief Strategy Officer

Title

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

EDWARD YEN
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By 
PATRICE SALSEDA
Principal Deputy County Counsel

**LOS ANGELES COUNTY
DEPARTMENT OF HEALTH SERVICES**



SECURITY GUARD SERVICES

**EXHIBIT A
ADDITIONAL PROVISIONS**

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ATTACHMENTS

Attachment 1	HIPAA Compliance
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Attachment 5	License and Proprietary Rights (intentionally Omitted)
Attachment 6	Payroll Statement of Compliance

EXHIBIT A

ADDITIONAL PROVISIONS

1. OVERVIEW

This Exhibit A (Additional Provisions) to the Agreement, including any attachments hereto (hereinafter also “Additional Provisions”), sets forth the terms and conditions for provision of Services pursuant to the Agreement. These Additional Provisions are in addition to the terms and conditions of the Base Agreement under the Agreement.

Unless otherwise specified herein, those terms and phrases with the initial letter capitalized that are not expressly defined herein shall have the meanings given to such in the Base Agreement under the Agreement.

2. INFORMATION PRIVACY AND SECURITY

2.1 COUNTY INFORMATION

By executing the Agreement, Contractor (on behalf of itself and any and all employees, agents and subcontractors) (i) acknowledges and agrees that it will not and may not store, maintain or access on or from non-County equipment/devices any County data or information for provision of Services under the Agreement, and (ii) certifies its compliance with the requirements of this Paragraph 2 prior to commencement of Services hereunder and for as long as Contractor or any of its employees, agents or subcontractors is in possession of any County data or information, including patient, personally identifiable and any other sensitive information (hereinafter “County Information”).

2.2 HIPAA OBLIGATIONS

Contractor acknowledges that County is subject the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (hereinafter “HIPAA”) and regulations promulgated thereunder, including the Privacy, Security, Breach Notification and Enforcement Rules at 45 Code of Federal Regulations (hereinafter “C.F.R.”) Parts 160 and 164 (hereinafter, collectively, “HIPAA Rules”). As a provider of Services for County, Contractor agrees to the applicable provisions relating to HIPAA as specified in Attachment 1 (HIPAA Compliance), attached hereto.

2.3 SECURITY AND PRIVACY INCIDENTS

In the event of a security or privacy Incident (as defined below), Contractor shall:

- Promptly notify the DHS Chief Information Security Officer, the DHS Information Security Officer and the DHS Chief Privacy Officer of any suspected, attempted, successful or imminent threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification or destruction (hereinafter “Incident”) of County Information within 24 hours of detection. All notifications shall be submitted via encrypted email and telephone to the following:
 - **DHS Chief Information Security Officer and DHS Chief Privacy Officer** – via DHS Enterprise Help Desk at helpdesk@dhs.lacounty.gov and by phone at (323) 409-8000
 - **DHS Chief Information Security Officer** – Jeff Zito at jzito@dhs.lacounty.gov
 - **DHS Chief Privacy Officer** – Jennifer Papp, RD, CHPC at jpapp@dhs.lacounty.gov

- **Departmental (DHS) Information Security Officer** – Vahe Haratounian at vharatounian@dhs.lacounty.gov

- Include the following information in all notices:
 - The date and time of discovery of the Incident;
 - The approximate date and time of the Incident;
 - A description of the type of County Information involved in the reported Incident;
 - A summary of the relevant facts, including a description of measures taken to respond to and remediate the Incident, and any planned corrective action(s) as they are identified; and
 - The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the Incident.
- Cooperate with County to investigate the Incident and seek to identify the specific County Information involved in the Incident as requested by County, without charge, unless the Incident was caused by the acts or omissions of County. As information about the Incident is collected or otherwise becomes available to Contractor, and unless prohibited by law, Contractor shall provide information regarding the nature and consequences of the Incident that are reasonably requested by County to allow County to notify impacted individuals, government agencies and/or credit bureaus.
- Assist and cooperate with forensic investigators, County, law firms and/or law enforcement agencies at the direction of County to help determine the nature, extent and source of any Incident and reasonably assist and cooperate with County on any additional disclosures that County is required to make as a result of the Incident.

Notwithstanding any other provisions in the Agreement, Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by Contractor's weaknesses, negligence, errors or lack of information security or privacy controls or provisions or otherwise failure to comply with any of the terms or conditions of this Paragraph 2.

2.4 DATA DESTRUCTION

Contractor that has maintained, processed or stored on non-County equipment/devices any County data and/or information, implied or expressed, has the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization, available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

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

Contractor must certify that any County data stored on purchased, leased or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers and/or workstations, are destroyed consistent with the current

National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was properly destroyed and is unusable, unreadable, and/or undecipherable.

2.5 EQUITABLE REMEDIES

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 2 shall constitute a material breach of the Agreement, upon which County may suspend or terminate for default the Agreement, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 2 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

2.6 PRIVACY AND SECURITY INDEMNIFICATION

Notwithstanding any provision of the Agreement to the contrary, whether expressly or by implication, Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, including its officers, employees, agents and subcontractors, to comply with (i) the provisions of this Paragraph 2 or (ii) any Federal and/or State laws in connection with accessing, collecting, processing, storing, disclosing or otherwise using any County Information.

Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 2 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

2.7 SURVIVAL

The provisions of this Paragraph 2 shall survive the expiration or termination of the Agreement.

3. INSURANCE REQUIREMENTS

The insurance coverage requirements set forth in Attachment 2 (Additional Insurance Requirements) to this Exhibit A supplement and/or replace those specified in the Base Agreement under the Agreement.

4. CONTRACTOR PERSONNEL

4.1 MEDICAL HEALTH SCREENING

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that all of Contractor's staff that may provide Services at any County healthcare facility or site (hereinafter, for purposes of this Paragraph, "healthcare

campus") pursuant to the Agreement, prior to commencement of such Services at a healthcare campus, shall have undergone and successfully passed a current health screening consistent with the DHS policy and the requirements of Attachment 3 (Medical Health Screening), attached hereto (hereinafter "Medical Health Screening"). The cost of Medical Health Screening shall be borne by Contractor.

4.2 INFECTION CONTROL

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that any of Contractor's staff entering any of County facilities or coming into contact with the public shall comply with and strictly adhere to the applicable County Infection Control and Employee Health Guidelines, provided or made available by County, to prevent the transmission of infections and to ensure prompt and appropriate treatment of Contractor's staff in the event of exposure. If any member of Contractor's staff is diagnosed with having an infectious disease, of which Contractor is made aware, and such person has had contact with a County patient or a member of the public during the usual incubation period for such infectious disease, then Contractor shall report such occurrence to County's Project Manager, or authorized designee for each site where Services were provided by such staff, within twenty-four (24) hours of becoming aware of the diagnosis. Notwithstanding the foregoing, Contractor shall not allow any member of Contractor's staff to come onto County premises if Contractor is aware that such person is diagnosed with having an infectious disease.

For purposes of the Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases (California Code of Regulations, Title 17).

4.3 BACKGROUND AND SECURITY INVESTIGATIONS

Unless otherwise instructed by County or specified in the Statement of Work, all Contractor personnel providing Services under the Agreement shall undergo and pass, to the satisfaction of County, a background investigation as a condition to beginning and continuing to provide any such Services. County will use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. County may elect to perform the background check.

County may request that Contractor's staff member be immediately prohibited from providing Services under the Agreement at any time during the term of the Agreement, if such staff member does not pass a background investigation to the satisfaction of County or whose background or conduct is incompatible with any Service Site access requirements. County will not provide to Contractor or to Contractor's staff any information obtained through County conducted background clearance.

County may also immediately, at its sole discretion, deny or terminate any Service Site access to Contractor's staff that do not pass such investigation(s) to the satisfaction of County or whose background or conduct is incompatible with such Service Site's access requirements.

Disqualification, if any, of Contractor's staff pursuant to this Paragraph 4.3 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of the Agreement.

The provisions of this Paragraph 4.3 shall also apply to subcontractors of Contractor.

4.4 CONTRACTOR'S STAFF IDENTIFICATION

Contractor and any of its staff that may be assigned to or may provide Services at any of County's facilities or other sites, including Services Sites, are required to have a County identification (hereinafter "ID") badge, which they shall wear or otherwise visibly display at all times while at such sites. Contractor shall bear all cost and expense of the badging. Contractor shall ensure that all staff have obtained a County ID badge before they are assigned to or may commence work at any County facility or other site. Contractor staff may be asked by a County representative to leave a County facility or other site if they do not have the proper County ID badge on their person.

- 4.4.1 Contractor shall notify County within one (1) business day when staff has terminated employment with Contractor or is otherwise terminated from working under this Agreement and shall return such staff's County ID badge to County on the next business day following the termination.
- 4.4.2 If County requests removal of Contractor's staff from working on this Agreement, Contractor shall retrieve and return such staff's County ID badge to County on the next business day following the removal.

5. PROPRIETARY CONSIDERATIONS

5.1 LICENSE

Contractor hereby grants to County, its authorized users and patients a license to use the Services, including any software, equipment, designs, plans, technologies and/or any other intellectual property that may be utilized for provision of Services and/or accessed by County or its patients, together with related documentation and other specifications (hereinafter "License"), as further specified in Attachment 5 (License and Proprietary Rights) attached hereto.

5.2 OWNERSHIP

All data provided by County, including its users and patients, is and shall remain the property of County and is subject to the data destruction and/or return requirements set forth in Attachment 4 (Information Security and Privacy Requirements) attached hereto or Paragraph 2 (Information Privacy and Security) above, as applicable.

Further, Contractor agrees that County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities and tools (hereinafter "materials") which are originated or created specifically for County through Contractor's work pursuant to the Agreement. Contractor, therefore, for valuable consideration herein provided, hereby assigns and transfers to County all of Contractor's right, title and interest in and to all such materials, provided that notwithstanding such County ownership, Contractor may retain possession of all working papers prepared by Contractor. Upon request of County, Contractor shall execute all documents and perform all other necessary acts to assign and transfer to and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights, which arise pursuant to Contractor's work under the Agreement.

6. INTENTIONALLY OMITTED

7. COMPLIANCE WITH COUNTY'S LIVING WAGE PROGRAM

7.1 LIVING WAGE PROGRAM

This Agreement is subject to the provisions of County's ordinance entitled "Living Wage Program" as codified in [Sections 2.201.010 through 2.201.100 of the Los Angeles County Code](#).

7.2 PAYMENT OF LIVING WAGE RATES

- 7.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not an "Employer" as defined under the Program ([Section 2.201.020 of the County Code](#)) or that Contractor qualifies for an exception to the Living Wage Program ([Section 2.201.090 of the County Code](#)), Contractor must pay its employees for the employees' services provided to County no less than (i) the applicable hourly living wage rate published by County (hereinafter "Living Wage Rate") or (ii) to the extent applicable, the applicable minimum wage rate for health care employees covered under SB 525 (hereinafter "SB 525 Wage Rate") as set forth in Paragraph 9 (Minimum Wage for Health Care Employees), whichever is greater, including, without limitation, "Travel Time" as defined below (hereinafter, for purposes of this Paragraph 7 "Minimum Wage Rate").
- 7.2.2 For purposes of this Paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor will be subject to the provisions of this Paragraph. The provisions of this Paragraph will be inserted into any such subcontract and a copy of the Living Wage Program must be attached to the subcontract. "Employee" means any individual, who is an employee of Contractor under the laws of California, and who is providing full-time or part-time services to Contractor, which are provided to County under the Agreement. "Full-time" means a minimum of forty (40) hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than thirty-five (35) hours worked per week will not, in any event, be considered full-time.
- 7.2.3 If Contractor is required to pay a living wage when the Agreement commences, Contractor must continue to pay a living wage for the entire term of the Agreement, including any option period(s).
- 7.2.4 If Contractor is not required to pay a living wage when the Agreement commences, Contractor will have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor must immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for the exception to the Living Wage Program. In either event, Contractor will immediately be required to commence paying the living wage and will be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for the exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor will immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.
- 7.2.5 For purposes of Contractor's obligation to pay its employees the applicable hourly living wage rate under this Agreement, "Travel Time" will have the following two meanings, as

applicable: (1) with respect to travel by an employee that is undertaken in connection with this Agreement, Travel Time will mean any period during which an employee physically travels to or from a County facility if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time; and (2) with respect to travel by an employee between County facilities that are subject to two different agreements between Contractor and County (of which both agreements are subject to the Living Wage Program), Travel Time will mean any period during which an employee physically travels to or from, or between such County facilities if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time.

7.3 CONTRACTOR'S SUBMITTAL OF CERTIFIED MONITORING REPORTS

Contractor must submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports must list all of Contractor's employees during the reporting period. The certified monitoring reports must also verify the number of hours worked and the hourly wage rate paid, for each of its employees. All certified monitoring reports must be submitted on the form(s) under Attachment 6 (Payroll Statement of Compliance) hereto or other County approved form(s) containing the information specified above. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor must promptly provide such information. Contractor, through one of its officers, must certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

7.4 CONTRACTOR'S ONGOING OBLIGATION TO REPORT LABOR LAW-PAYROLL VIOLATIONS AND CLAIMS

During the term of the Agreement, if Contractor becomes aware of any labor law-payroll violation or any complaint, investigation or proceeding (hereinafter "claim") concerning any alleged labor law-payroll violation (including, but not limited to, any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors and/or unlawful employment discrimination), Contractor must immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law-payroll violation or claim arising out of Contractor's Agreement with County, but instead applies to any labor law-payroll violation or claim arising out of any of Contractor's operations in California.

7.5 COUNTY AUDITING OF CONTRACTOR RECORDS

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at Contractor's place of business, any of Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County must have access to all such records during normal business hours for the entire period that records are to be maintained.

7.6 NOTIFICATIONS TO EMPLOYEES

Contractor must place County-provided living wage posters at each of Contractor's places of business and locations where Contractor's employees are working. Contractor must also distribute County-provided notices to each of its employees at least once per year.

Contractor must translate posters and handouts into Spanish and any other language spoken by a significant number of Contractor's employees.

7.7 ENFORCEMENT AND REMEDIES

If Contractor fails to comply with the requirements of this Paragraph, County will have the rights and remedies described in this Paragraph in addition to any rights and remedies provided by law or equity.

7.7.1 REMEDIES FOR SUBMISSION OF LATE OR INCOMPLETE CERTIFIED MONITORING REPORTS

If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding of Payment

If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of one hundred dollars (\$100) per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.2 REMEDIES FOR PAYMENT OF LESS THAN REQUIRED LIVING WAGE

If Contractor fails to pay any employee at least the applicable hourly living wage rate, such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding Payment

If Contractor fails to pay one or more of its employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its employees for a given pay period and the amount actually paid to the employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to pay any of its employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against Contractor liquidated damages of fifty dollars (\$50) per employee per day for each and every instance of an underpayment to an employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to pay any of its employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.3 DEBARMENT

In the event Contractor breaches a requirement of this Paragraph, County may, in its sole discretion, bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, in accordance with [Los Angeles County Code, Chapter 2.202](#), Determinations of Contractor Non-Responsibility and Contractor Debarment.

7.8 **USE OF FULL-TIME EMPLOYEES**

With the exception of Contingency Guards, Contractor shall assign and use full-time employees of Contractor to provide services under the Agreement, unless Contractor can demonstrate to the satisfaction of County that it is necessary to use staff that are not full-time employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. Contractor agrees not to, under any circumstance, assign or use for provision of services under the Agreement any staff that are not full-time employees of Contractor, unless and until County has provided written authorization for use of such staff. Contractor submitted with its proposal a full-time employee staffing plan. If Contractor changes its full-time employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

7.9 **CONTRACTOR RETALIATION PROHIBITED**

Contractor and/or its employees must not take any adverse action which would result in the loss of any benefit of employment, any contract benefit or any statutory benefit for any employee, person or entity who has reported Contractor's violation of the Living Wage

Program to County or to any other public or private agency, entity or person. Any violation of the provisions of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.10 CONTRACTOR STANDARDS

During the term of the Agreement, Contractor will maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested by County, Contractor shall demonstrate to the satisfaction of County that Contractor is compliant with this requirement.

7.11 EMPLOYEE RETENTION RIGHTS

7.11.1 Contractor must offer employment to all retention employees who are qualified for such jobs. For purposes of this Paragraph, a "retention employee" is an individual:

- a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
- b. Who has been employed by a contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the effective date of this Agreement, which predecessor contract was terminated by the County prior to its expiration; and
- c. Who is or will be terminated from their employment as a result of the County entering into this Agreement.

7.11.2 Contractor will not be required to hire a retention employee who:

- a. Has been convicted of a crime related to the job or his or her performance; or
- b. Fails to meet any other County requirement for employees of contractors.

7.11.3 Contractor will not terminate a retention employee for the first ninety (90) days of employment under the Agreement, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

7.12 NEUTRALITY IN LABOR RELATIONS

Contractor shall not use any consideration received under the Agreement to hinder or to further organization of or collective bargaining activities by or on behalf of Contractor's employees, except that this restriction will not apply to any expenditure made in the course of good faith collective bargaining, made pursuant to obligations incurred under a bona fide collective bargaining agreement or which would otherwise be permitted under the provisions of the National Labor Relations Act.

8. EQUITABLE ACCESS TO HEALTHCARE FOR CONTRACTED EMPLOYEES

On April 4, 2023, the Board passed the Equitable Access to Healthcare for Contracted Employees Motion (hereinafter "Motion") directing DHS, in collaboration with other County departments, to:

1. Develop and implement a policy mandating that all new Proposition A contracts for security, environmental, including janitorial, and food services for County hospitals managed by DHS, including those provided under the Agreement, require 100% employer-paid healthcare premiums for employees, who work 30 hours or more per week, at the minimum actuarial value of the Affordable Care Act (hereinafter "ACA")

individual gold plan coverage (hereinafter "Gold Plan"), with the implementation deadline of December 31, 2023; and

2. Require Labor Peace Agreements for all such Proposition A contracts.

8.1 EMPLOYER PAID HEALTHCARE PREMIUMS

Contractor hereby agrees to comply with the Motion during the term of the Agreement and to provide 100% employer-paid healthcare premiums for Contractor's employees, who work 30 hours or more per week and elect to accept the healthcare benefits offered by Contractor, at the minimum actuarial value of the ACA Gold Plan at no cost to the employees.

8.2 LABOR PEACE AGREEMENTS

- 8.2.1 Contractor shall implement and shall ensure that each subcontractor implement, prior to providing any Services under the Agreement, a Labor Peace Agreement, which shall be maintained for the term of the Agreement. As used herein, a "Labor Peace Agreement" is a written agreement between Contractor or any of its subcontractors and a labor organization representing their employees that contains a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppage, boycott or any other economic interference with the Services provided for County under the Agreement.
- 8.2.2 Contractor, therefore, represents and warrants that (i) it and each of its subcontractors that may provide Services under the Agreement shall execute prior to provision of Services and maintain during the term of the Agreement a Labor Peace Agreement with any labor organization representing or seeking to represent the employees of Contractor or any such subcontractor; (ii) it shall have submitted to County a copy of evidence of each such executed Labor Peace Agreement; and (iii) such Labor Peace Agreements shall prohibit during the term of the Agreement labor organizations and their members from engaging in picketing, work stoppages, boycotts or any other economic interference with the business of County, including County facilities and other Service Sites serviced under the Agreement.
- 8.2.3 Contractor acknowledges and agrees (i) that failure by Contractor or any of its subcontractors to enter into and maintain during the term of the Agreement a Labor Peace Agreement shall be deemed a material breach of the Agreement, entitling County to terminate the Agreement for default; and (ii) that it would be impracticable and extremely difficult to ascertain the actual damages resulting from such breach, also entitling the County to liquidated damages in accordance with the provisions of the Agreement in addition to any other rights and remedies otherwise available at law or in equity.
- 8.2.4 Notwithstanding any breach of a Labor Peace Agreement by a labor organization representing or seeking to represent the employees of Contractor or any subcontractor that may provide Services under the Agreement or by any of such labor organization's members, Contractor shall remain fully responsible for meeting the requirements of the Agreement, including supplying sufficient personnel for provision of Services thereunder.
- 8.2.5 The requirements of this provision apply to the extent the employees of Contractor and/or any of its subcontractors are represented by a labor organization as of the Effective Date or during the term of the Agreement.

9. MINIMUM WAGE FOR HEALTH CARE EMPLOYEES

The Services provided under this Agreement may be subject to the requirements of the California Senate Bill (hereinafter "SB") 525, as codified under California Labor Code Section 1182.14 et seq. and elsewhere under California law. To the extent SB 525 is applicable to Contractor and the Services provided hereunder, Contractor agrees to comply with the requirements of SB 525, as such may be amended, and, during the term of the Agreement, pay its employees, at a minimum, the applicable minimum SB 525 Wage Rate (defined above), including for provision of Services under the Agreement. If Contractor is also subject to the living wage requirements specified under Paragraph 7 (Compliance with County's Living Wage Program), if any, then the Minimum Wage Rate under such Paragraph 7 (Compliance with County's Living Wage Program) shall be the greater of the applicable Living Wage Rate (defined above) and the SB 525 Wage Rate, if applicable.

10. COMPLIANCE WITH COUNTY'S ADVANCING HIGH ROAD JOBS INITIATIVE

The County has established a "Advancing High Road Jobs" Initiative (link: [Advancing High Road Jobs by Harnessing the County's Procurement Power as a Market Participant Motion](#)) to create opportunities for full-time employment not just within the County but in the private sector. This Initiative is focused on hiring qualified employees, and providing high road jobs, from the County's High-Road Training Partnership ("H RTP") programs and other pre/apprenticeship and job training programs, including County pipeline programs like Preparing Los Angeles for County Employment ("PLACE") and the Delete the Divide Internship, that are part of a network of America's Job Centers of California ("AJCCs"), overseen by County's Department of Economic Opportunity ("DEO"), working together to help Los Angeles County residents succeed in the job market. They achieve this by providing education, training, career counseling, and support services funded through the Workforce Innovation and Opportunity Act ("WIOA"). WIOA focuses on assisting adults, dislocated workers, and youth in finding employment. The County's AJCCs play a key role by funding training programs and state certifications, equipping participants with the skills and qualifications needed to secure jobs. The County's AJCC information can be found at: [Los Angeles County Business Development Services, Business Resources](#).

- 10.1 In support of this initiative, throughout the Initial Term of the Agreement, County has established a 20% hiring goal to such qualified employees in County's AJCCs. Contractor must consider hiring such qualified employees for open opportunities as they become available.
- 10.2 To obtain the list of qualified security employees that are certified and trained by County in the AJCCs, Contractor will be provided direct access to the AJCC referral portal where County will refer qualified security employees to Contractor.
- 10.3 Within thirty (30) calendar days after the Effective Date of the Agreement, Contractor must provide to County its comprehensive annual hiring plan that outlines its commitment to achieve the 20% hiring goal throughout the Initial Term of the Agreement to such qualified employees in County's AJCCs.
- 10.4 Contractor must submit a semi-annual hiring report. The report must include, at a minimum, a description of the position(s) that was fulfilled, number of programs

participants hired, and program name. The semi-annual report must be submitted electronically to the designated County personnel.

ATTACHMENT 1
HIPAA COMPLIANCE

ATTACHMENT 1.3

INADVERTENT ACCESS

Contractor expressly acknowledges and agrees that the provision of Services under the Agreement does not require or permit access by Contractor or any of its officers, employees or agents to any patient medical records/patient information, including PHI as defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Accordingly, Contractor shall instruct its officers, employees and agents that they are not to pursue or gain access to patient medical records/patient information, including PHI, for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that in the course of the provision of Services hereunder, Contractor or its officers, employees or agents, may have inadvertent access to patient medical records/patient information, including PHI. Contractor understands and agrees that neither it, nor its officers, employees or agents are to take advantage of such access for any purpose whatsoever.

Additionally, in the event of such inadvertent access, Contractor and its officers, employees and agents shall maintain the confidentiality of any information obtained and shall, immediately or upon the first reasonable opportunity to do so, notify County's Project Manager or the equivalent identified in the Agreement that such access has been gained. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all liability, including but not limited to demands, claims, actions, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's or its officers', employees' or agents' access to patient medical records/patient information, including PHI. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

ATTACHMENT 2
ADDITIONAL INSURANCE REQUIREMENTS

ATTACHMENT 2.1

ADDITIONAL INSURANCE REQUIREMENTS

In addition to, and subject to, the requirements and any other provisions of the Agreement relating to insurance and/or in lieu of the insurance programs and coverages specified in the Base Agreement under the Agreement, Contractor shall provide and maintain for the term of the Agreement and thereafter, to the extent required herein, the insurance coverage(s) specified below. As used herein, the term "County and its Agents" shall mean and refer to the County of Los Angeles and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers. Contractor acknowledges and agrees that the coverages required hereunder shall not in any way limit the liability of Contractor.

1. SEXUAL MISCONDUCT LIABILITY COVERAGE

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, person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

ATTACHMENT 3

MEDICAL HEALTH SCREENING

All Contractor personnel that may provide services pursuant to the Agreement shall complete to the satisfaction of County a medical health screening to determine if the person meets the medical criteria and immunizations standards established for the prospective job classification/assignment before commencing any services under the Agreement. Contractor shall use the DHS forms and medical health screening methodology provided or requested by County.

The medical health screening shall be performed by a physician or other licensed healthcare professional ("PLHCP") authorized to perform such screening, with all costs and expenses of such to be borne by Contractor. County, at its sole option, may also elect to have some of the assessments and screening services of Contractor personnel to be provided by DHS Employee Health Services ("EHS"). Upon such election by County, Contractor personnel shall be required to present a written authorization from County prior to obtaining any screening services from DHS EHS. DHS, at its option, will charge Contractor for the costs of any such services provided by DHS EHS or deduct the costs from the amounts owed by County to Contractor for services provided by Contractor under the Agreement, regardless of whether Contractor personnel pass or fail the screening.

Each member of Contractor personnel shall provide DHS EHS with documentation of health screenings and evidence of the absence of communicable diseases using County's "Health Clearance E2" forms. The forms must be signed by a healthcare provider attesting that all information is true and accurate, OR, in the alternative, such member of Contractor personnel may supply all required source documents to DHS EHS for verification.

Contractor must provide DHS EHS with the source documents for each member of Contractor personnel for review within four (4) hours of a request. Failure to provide the appropriate source documentation of health screenings/clearance will result in immediate release of such member of Contractor personnel from assignment without reinstatement until the person is compliant. Contractor shall maintain all source documents pertaining to all Contractor personnel's pre-employment and annual health evaluation, Tuberculosis, Respiratory Fit Testing and other required immunizations including COVID-19 vaccinations.

DHS facility staff are required to ensure that each member of Contractor personnel (i) receives the appropriate documents; (ii) has submitted them to the applicable DHS facility EHS; and (iii) has obtained health clearance prior to beginning the work assignment under the Agreement.

No person shall be allowed to work at any time inside any DHS healthcare providing facility without appropriate documentation of health screening. Lack of evidence of immunity to certain diseases will restrict assignment locations within the DHS facilities.

All Contractor personnel who have potential exposure to respiratory hazards and/or aerosol transmissible disease shall provide appropriate documentation of a respiratory fit test on the same make, model, style and size as the respirator that will be used at the applicable DHS facility. If so instructed by County or the applicable DHS facility, this will be an annual mandatory requirement.

Per County policy, Contractor personnel are required to comply with annual health screening. Unless specified otherwise in the Agreement, Contractor personnel shall have their PLHCP conduct the assessment in accordance with County policy and procedures. This documentation is the "E2 Annual Health Clearance". Contractor personnel will be provided with the necessary

documentation for completion and submission to their PLHCP. The PLHCP will be required to complete the documents and submit them to Contractor, as appropriate, with the completed forms.

Contractor personnel will be given a 30-day reminder to comply with annual health screening requirements. A member of Contractor personnel who does not comply with annual or other health screening requirements may, at County's option, be given a letter indicating that such person has five (5) days to comply or be released from assignment. A copy of the "letter" will be provided to the supervisor/sponsor of such member of Contractor personnel for action. In any event, failure to provide documentation of health screening/clearance will result in immediate release from assignment without reinstatement until compliant.

Contractor personnel potentially exposed to occupational hazards will be provided emergency services within the allowable time frames, with the cost of such emergency services to be borne by Contractor, as appropriate. Contractor personnel who are exposed to occupational hazard or incur injury while performing services for County will be reported on the OSHA Log 300/301, as required by Federal and State regulation and guidelines.

In the event of an occupational needlestick injury or other exposure to Contractor personnel to blood and body fluids or airborne contaminants, medical care will be provided by the DHS EHS or the applicable facility's Emergency Room, with the cost of such medical care to be borne by Contractor, as appropriate. Contractor personnel may seek initial care for such injury or exposure from the facility EHS or DHS EHS within the allowable treatment time frames, with the cost of such care to be borne by Contractor, as appropriate. Subsequent follow-up treatments will be conducted through the appropriate agency's worker compensation medical provider, or individual's physician.

ATTACHMENT 4
INFORMATION SECURITY AND PRIVACY REQUIREMENTS
(INTENTIONALLY OMITTED)

ATTACHMENT 5
LICENSE AND PROPRIETARY RIGHTS
(INTENTIONALLY OMITTED)

ATTACHMENT 6
PAYROLL STATEMENT OF COMPLIANCE

I, _____ (Name of Owner or Company Representative), _____ (Title)

Do hereby state:

That (i) I pay or supervise the payment of the persons employed by (Contractor/Subcontractor) on the _____ (Agreement); (ii) during the payroll period commencing on the _____ (day) of _____ (Month and Year) and ending the 04-29-~~1~~(day) of Kevin ~~1~~(Month and Year), all persons employed on such Agreement have been paid the full weekly wages earned; (iii) no rebates have been or will be made, either directly or indirectly, to or on behalf of (Contractor/Subcontractor) from the full weekly wages earned by any person; (iv) no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and as may be described below:

_____;

(v) any payrolls otherwise under the Agreement required to be submitted for the above period are correct and complete; and (vi) the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the Agreement.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature:

Date:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT CONTRACTOR OR SUBCONTRACTOR TO CIVIL AND/OR CRIMINAL PROSECUTION. IN ADDITION, CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.

EXHIBIT B
STATEMENT OF WORK
FOR
SECURITY GUARD
SERVICES

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ATTACHMENTS

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STATEMENT OF WORK FOR SECURITY GUARD SERVICES

The provisions herein below, including any Attachments hereto, set forth the scope of and requirements for Guard Security Services (also "Services") to be provided by Contractor pursuant to the Agreement with the County of Los Angeles ("County") that may be awarded as a result of Request for Proposals No. HS-1158 ("RFP") issued by County's Department of Health Services ("DHS" or "Department"). This base document included in Exhibit B (Statement of Work) to the RFP or Exhibit B (Statement of Work) to the Agreement, as applicable, together with any Attachments hereto, shall be referred to as a "Statement of Work" or "SOW".

1.0 BACKGROUND AND OVERVIEW

Currently, DHS is responsible for providing Security Guard Services for its administrative offices, hospitals, health centers and clinics. Contractor shall be required to provide Services for any or all of the Service Sites identified in Attachment 1 (Service Sites) to this SOW in accordance with the requirements of the Agreement, including the Statement of Work, in exchange for payment of the applicable Service Fees set forth in the Pricing Schedule.

2.0 DEFINITIONS

Unless defined herein, the terms and phrases used throughout the Statement of Work shall have the particular meanings given to such in the Base Agreement under the Agreement. The terms and phrases used throughout the Statement of Work, with the initial letter capitalized where applicable, shall have the particular meanings specified below in this Paragraph 2.0.

- 2.1 "Additional Services"** – shall have meaning specified in Paragraph 6.1 (Additional Services) of this SOW.
- 2.2 "Area"; "Service Area"** – shall mean the area designated for the Service Site(s) for which Services shall be provided under the Agreement.
- 2.3 "Business Hours"** – shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time ("PT").
- 2.4 "Contingency Guards"** – shall mean a 15% pool of available Guards not currently assigned to an existing Service Site, but onboarded by DHS and ready to be deployed to any Service Site in accordance with the provisions hereof, including Paragraph 5.2.2 (Contingency Guards).
- 2.5 "Contract Discrepancy Report"; "CDR"** – shall mean a County issued report based on the form set forth in Attachment 2 (Contractor Discrepancy Report) to this SOW that will be used by County's Project Manager to record discrepancies and/or other problems with Contractor's compliance with the provisions of the Agreement, including the Statement of Work. A copy of the CDR will be provided to Contractor for response and corrective action as necessary.

STATEMENT OF WORK

- 2.6 **“COOP”** – shall have meaning specified in Paragraph 5.5.1 (Contractor's Continuity of Operations Plan) of this SOW.
- 2.7 **“Coverage Plan”** – shall mean a document created by County that indicates the placement of Posts throughout the Service Sites(s). The coverage requirements for each Service Area are specified in the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW.
- 2.8 **“Daily Activity Report”; “DAR”** – shall mean a log based on Contractor's form used by Guards and Supervising Guards to record events throughout the day at their assigned Post.
- 2.9 **“Electronic Post Confirmation System”; “System”; “EPCS”** – shall mean an automated check-in system to be provided by Contractor in accordance with Paragraph 3.2.8 (Electronic Post Confirmation System).
- 2.10 **“Guard”** – shall refer to the job classification for Guard I, Guard II or Guard III.
- 2.11 **“Hourly Rate”** – shall have meaning specified in Paragraph 3.2.3.D (Reimbursement) of this SOW.
- 2.12 **“Matrix Report”** – shall mean a report based on Contractor's form with information relating to Contractor's staff's is compliance with personnel requirements in the Agreement, as further described in this SOW including Paragraph 5.4.4 (Matrix Report).
- 2.13 **“Monthly Inspection Report”; “MIR”** – shall mean a monthly report to be provided by Contractor documenting services provided, problems identified and corrective actions taken by Contractor, as further specified in Paragraph 5.4.1 (Monthly Inspection Report) of this SOW.
- 2.14 **“Open Post”** – shall refer to an assigned Post with no coverage, tracked in one-hour increments.
- 2.15 **“Performance Requirements Summary”; “PRS”** – shall mean a document that may be used by County for identifying critical performance indicators related to the Agreement, including the Statement of Work, which will be evaluated by County to determine whether Contractor meets the applicable performance standards.
- 2.16 **“Post”** – shall mean any physical location at a Service Site where Guards may be assigned to provide coverage.
- 2.17 **“Post Order(s)”** – shall mean County orders outlining duties, responsibilities and expectations of Guards and Supervising Guards at the Posts, including general Post Orders and Service Site specific Post Orders, as further described in Paragraph 5.1.2 (Post Orders) of this SOW.
- 2.18 **“Required Services”** – shall mean any Services that are required to be provided under the Agreement, including this Statement of Work.
- 2.19 **“Security Incident Report”; “SIR”** – a County form that must be completed by Contractor to report any significant security incidents, as further described in Paragraph 5.4.3 (Security Incident Reports) of this SOW.

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- 2.20 **“Security Manager”** – shall refer to the job classification for Security Manager.
- 2.21 **“Security Staff”** – shall mean and refer to any of the Guards, Supervising Guards and/or Security Managers providing Services under the Agreement.
- 2.22 **“Service Site(s)”** – any County owned, managed or authorized facility or other site identified in Attachment 1 (Service Sites) to this SOW.
- 2.23 **“Services”**; **“Security Services”** – shall mean any tasks, deliverables, goods, services and/or other work that may be provided by Contractor to County pursuant to the Agreement and this Statement of Work, including Security Guard Services.
- 2.24 **“Shift”** – predetermined number of hours identified by Contractor for provision of coverage for a Post.
- 2.25 **“Supervising Guard”** – shall refer to the job classification for Supervising Guard.
- 2.26 **“Vehicle Mileage Report”** – shall mean a Contractor provided report listing all vehicles used for provision of Services under this Agreement, which must include, at a minimum: vehicle description (make, model, year); license plate numbers; vehicle identification numbers; and mileage of each vehicle.

3.0 REQUIRED SERVICES

3.1 SERVICE SITES

The Service Sites approved for the provision of Services under the Agreement are identified in Attachment 1 (Service Sites) to this SOW. The list of Service Sites may be modified by an amendment or other appropriate modification to the Agreement in accordance with the provisions of the Agreement.

3.2 SCOPE OF SERVICES

Scope of Contractor's Services under the Agreement shall include the provision of Security Services by trained, professional, courteous, uniformed and equipped Guards to ensure each Service Site is safe, secured and monitored, as further described in this Paragraph 3.2 below.

3.2.1 GUARD POST COVERAGE

Contractor shall assign Guards at the Service Site(s) specified in Attachment 1 (Service Sites) to this SOW to meet County's needs, as specified below:

- A. Contractor shall determine the shifts needed to deploy Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.
 - 1. Contractor shall develop a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW, which shall specify the shifts and shall be made available to County upon request.

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2. The deployment roster shall be updated on an ongoing basis to reflect the most recent staffing plan.
- B. Any exceptions, modifications or changes to Post coverage must have prior written approval of County.
- C. In the event County increases Post coverage requirements, Contractor shall work with County to develop a plan for any additional Guard(s) needed for the expanded coverage, together with the shift(s). Changes to Post coverage shall be memorialized by a modification to the Agreement in accordance with Paragraph 6.2 (Changes to Scope).

3.2.2 POST ORDERS

Contractor shall ensure that all Guards, Supervising Guards and Security Managers receive a copy of and are knowledgeable with the general and Service Site specific Post Orders as specified in Paragraph 5.1.2 (Post Orders) of this SOW.

3.2.3 EMERGENCY SERVICES

A. Staff Availability

Contractor staff shall be available to provide Services during any emergency situation, which may include fire, flood, earthquake, civil disturbance, pandemic, epidemic and any other natural or manmade disasters ("Emergency Services").

B. Authorization

If County determines that an emergency situation has triggered the need for Contractor to provide Emergency Services, County will issue an authorization for reimbursing Contractor beyond the scheduled Post coverage for provision of Emergency Services. Any oral authorizations by County will be followed by written confirmation.

C. Coverage

Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows:

- Immediately and no later than one (1) hour from the time of the request; or
- On the date(s) and time as requested by County.

D. Reimbursement

Contractor shall be reimbursed one-and-a-half times the applicable hourly Service Fees ("Hourly Rate") set forth in Exhibit C (Pricing Schedule) to the Agreement for Emergency Services provided within 12 hours of County's request, for the first shift only. Any Emergency Services required thereafter shall be provided utilizing the Contingency Guards in the form of

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Additional Services in accordance with Paragraph 6.1 (Additional Services).

E. Compliance with Labor Laws

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act regarding payment of overtime to its employees, consistent with Paragraph 8.21 (Fair Labor Standards) of the Base Agreement under the Agreement. As specified in Attachment 3 (Performance Requirements Summary) to this SOW, County may impose an assessment against Contractor for failure by Contractor to observe this requirement. County may report Contractor's non-compliance with the California Labor Code to the California Labor Commission.

3.2.4 MATERIALS AND EQUIPMENT

Contractor shall ensure that all Guards, Supervising Guards and Security Managers are equipped with the necessary materials and equipment listed below to perform the Services for each Service Site(s). Unless otherwise specified in writing by the Service Site, Contractor shall be responsible for providing for each of its personnel performing Services hereunder, at a minimum, the following items:

- A. One (1) Sam/Sally Browne belt;
- B. One (1) Handcuff case;
- C. One (1) set Handcuffs plus key;
- D. Four (4) keepers;
- E. One (1) Key Snap;
- F. One (1) heavy-duty 3-cell flashlight approved by County, or approved alternate, with batteries;
- G. One (1) radio holder/pouch;
- H. One (1) Side Handle Baton with Baton Ring or Collapsible Side Handle Baton with Baton Ring. Handler, 12", or the ASP (24" or 26") expandable straight stick;
- I. Appropriate Personal Protective Equipment ("PPE"), including a face masks, goggles, latex gloves and a pouch;
- J. Notebook and pen to document daily activities.

3.2.5 UNIFORMS

Contractor shall provide tailored fit uniforms for each Guard, Supervising Guard and Security Manager working at the Service Site(s). Uniforms must always be clean, neatly pressed and consist of the items listed below. Any exceptions must be approved in writing by County's Project Manager or the Service Site designee, if any.

- A. Trousers – Navy or black;
- B. Shirts – White or blue with the company name/logo;

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- C. Belts – Solid black color, basket weave pattern;
- D. Socks – Solid black or navy blue color;
- E. Shoes – Solid black color, leather material, military style (low laced, plain toed oxfords, with smooth finish);
- F. Shoulder patches, as required by California Business and Professions Code 7582.26(f), on both arms of uniform shirt, polo (if requested by County) and jacket;
- G. Jackets, with appropriate shoulder patches, as appropriate to weather conditions – Navy or black color (as necessary);
- H. Rain gear (as necessary);
- I. Special attire to be provided by Contractor, as requested by County):
 - Black or white polo shirt
 - Tie – Solid black color
 - Tie bar – Gold in color
 - Other appropriate attire reasonably requested by County

3.2.6 VEHICLES AND OTHER TRANSPORTATION

A. Vehicles

Contractor shall, at no cost to County, provide vehicles for Security Managers to conduct patrols, inspections and random visits and to fulfill relief and managing responsibilities at the multiple Service Site(s). As requested by County, Guards may also be assigned to patrol and may need a vehicle for patrolling the Service Site's campus. Contractor's vehicles shall:

1. Be kept clean with no major visible damage;
2. Be clearly identified with Contractor's name and logo;
3. Be less than ten (10) years old;
4. Be in a safe operating condition;
5. Contain copies of vehicle's registration and insurance;
6. Have yellow light bar affixed to roof;
7. Be equipped with or otherwise contain the following items:
 - a. First aid kit
 - b. 5 lb. ABC type fire extinguisher
 - c. Hand-held or vehicle spotlight
 - d. Traffic cones
 - e. Flares
 - f. Yellow scene management (banner guard type) tape

- g. High visibility/reflective vests
 - h. Appropriate PPEs (latex gloves, masks, face shields, goggles, etc.)
 - i. Log containing Guard name and initials, patrol times and mileage (beginning and end of each trip).
8. Be identified and maintained on a list of all vehicles used to provide services under this Agreement, that must include: vehicle description (make, model and year); license plate numbers; vehicle identification numbers; and mileage when vehicle is first to put to use for provision of services hereunder.

B. Other Transportation

- 1. Contractor shall, at no cost to County, also provide transportation other than vehicles, including but not limited to, bicycles and scooters (e.g., Segway) to patrol and conduct inspection rounds throughout each assigned Service Site's campus. All Guards shall wear a yellow or highly reflective vest and helmet while using such other form of transportation. Contractor shall ensure that all other transportation is:
 - a. Kept clean with no major visible damage;
 - b. Less than five (5) years old;
 - c. In a safe operating condition;
 - d. Equipped with reflectors;
 - e. Labeled with an identification number.
- 2. For all other transportation utilized for provision of Services under the Agreement, Contractor shall maintain a current list that includes a description (type and year) and shall assign an identification number.
- 3. Contractor shall ensure that all Guards are trained in the operation of all other transportation being utilized, prior to their first patrol assignment.

3.2.7 RADIOS

Contractor shall provide all Guards and Security Managers with hand-held radios and desktop radios. Contractor shall ensure that:

- A. Radio system is operational and able to operate efficiently and effectively at assigned Service Site(s) without interruption. Each Service Site may have separate radio system requirements, depending on design of the Service Site. Contractor shall be responsible for any and all necessary updates and repairs to the radio system if the system is not efficiently and effectively operational.
- B. Radios adhere to all applicable Federal Communications Commission ("FCC") regulations for all radio communications.

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- C. At least one (1) hand-held radio is fully operational and charged for each of Contractor's staff and, upon County's request, Service Site personnel designated by County.
- D. A desktop radio is available as requested by each Service Site.

3.2.8 ELECTRONIC POST CONFORMATION SYSTEM

Contractor shall provide an automated clock-in/clock-out System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty. Data from the System will be used to create Contractor's invoices for Services.

Unless otherwise directed by County, Contractor shall submit to County for approval the communication plan (i.e., notification to County of any Open Posts and deployment of Guards) before any Services may commence under the Agreement. The EPCS shall have the ability, at a minimum, to:

- A. Upon County's request, generate a report that identifies Contractor's staff clock-in/clock-out times, hours worked and patrol times.
- B. Generate monthly electronic timesheets and invoices.
- C. Alert Contractor's dispatcher when there is an Open Post.

3.3 CONTRACTOR'S OBLIGATIONS AND REQUIREMENTS

Contractor shall, at a minimum, meet the obligations and requirements set forth in this Paragraph 3.3 below.

3.3.1 MINIMUM STAFF COVERAGE

Contractor shall ensure that each Service Site is appropriately staffed with Guards, Supervising Guards and Security Managers in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW for the Service Area.

3.3.2 PERFORMANCE STANDARDS

- A. Contractor shall ensure that all Security Staff providing Services at each Service Site meet the standards specified in Paragraph 3.4 (Performance Standards and Requirements) of this SOW.
- B. Security Staff shall always present a courteous and business-like demeanor.
- C. Security Staff shall provide protection from bodily harm for employees, visitors, patients and other members of the public.
- D. Security Staff shall safeguard County property against fire, theft, vandalism and illegal entry.
- E. During the coverage of a Post, if a condition exists wherein there is imminent danger of injury to the public or damage to County property, the Guard shall control the situation and intervene, as

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appropriate, to prevent injurious acts to persons or property. As soon as it is safe to do so, Contractor's staff shall notify the Supervising Guard and County of the incident.

3.3.3 MINIMUM REQUIREMENTS

Contractor shall ensure that all Security Staff providing Services at each Service Site meet the minimum requirements for performance of Services at specified in this SOW, including those set forth below.

- A. Contractor shall ensure that Security Staff maintain all required permits and meet all applicable training requirements.
- B. Contractor shall conduct inspections, provide new uniforms when needed and take other appropriate measures to ensure that Security Staff maintain a professional appearance.
- C. Contractor shall ensure that Security Staff are trained in the use of equipment (e.g., weapon scanning equipment) needed for performance of Services at each Service Site.
- D. Contractor shall ensure that Security Staff are knowledgeable with all policies and procedures (i.e., Post Orders, Contractor internal policies, DHS guidelines and any specific Service Site protocols).

3.4 PERFORMANCE STANDARDS AND REQUIREMENTS

3.4.1 LICENSES, CERTIFICATIONS AND QUALIFICATIONS

Contractor shall have obtained and maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to the performance of this Agreement and the Services provided hereunder. Copies and/or proof of such licenses, permits, registrations, certifications and accreditations relating to the Services shall be made available to County prior to the Effective Date of this Agreement and upon request. Also, all of Contractor's personnel providing Services under the Agreement shall have the requisite experience and qualifications as well as the necessary licensing, certifications, credentialing and training for proper performance of Services hereunder in accordance with Contractor's own requirements and the applicable industry standards and regulations.

3.4.2 ONBOARDING

Contractor must meet any onboarding criteria and qualifications as required by the Service Sites for which Services may be provided by Contractor under the Agreement. County may immediately cease engaging Contractor for provision of Services hereunder if, in County's sole discretion, Contractor does not meet a Service Site's onboarding criteria or qualifications. County shall have no liability to Contractor for any Services provided without County's verification of the applicable onboarding criteria and qualifications and

authorization for provision of Services or without the appropriate certifications.

Service Site may also require Contractor to participate in an orientation. If required by a Service Site, Contractor shall complete the Facility Policy and Procedures Manual, DHS Risk Management Information Manual and New Employee/Contractor Checklist within thirty (30) days of hire and/or assignment for provision of Services hereunder. Contractor must acknowledge receipt of all documentation and orientation by signing and dating the New Employee/Contractor Checklist.

3.4.3 POLICIES AND PROCEDURES

A. Procedural Manual

Contractor shall develop and provide to County's Project Manager, at least ten (10) business days prior to commencing any work under the Agreement, Contractor's procedural manual for provision of Services under the Agreement, including Post coverage. This procedural manual will be updated by Contractor throughout the term of the Agreement to reflect changes to County's needs or operations.

B. Complaint Investigation Procedures

Contractor shall develop, maintain and provide to County's Project Manager, at least ten (10) Business Days prior to commencing any work under the Agreement, Complaint Investigation Procedures, which shall include procedures for receiving, investigating and responding to complaints by Guards, members of the public and County personnel, as further specified in Paragraph 8.6 (Complaints) of the Base Agreement under the Agreement.

C. Illness and Injury Prevention Program

Contractor shall provide to County's Project Manager, prior to commencing any work under the Agreement and annually thereafter, a copy of Contractor's CAL/OSHA-compliant Illness and Injury Prevention Program ("IIPP"). IIPP shall be regularly updated to reflect current risks and hazards and changes in regulatory requirements.

D. Compliance with Policies and Procedures

All Services provided hereunder shall be in compliance with, and all Contractor personnel providing the Services shall comply with, all policies, procedures, protocols, rules and directives applicable to each assigned Service Site.

3.4.4 CONTINUING EDUCATION

Throughout the term of the Agreement, Contractor shall be in conformance with all applicable continuing education requirements, including California Bureau of Security and Investigative Services.

4.0 PERSONNEL

4.1 COUNTY PERSONNEL

County will designate personnel for administering Contractor's performance under the Agreement, including the Statement of Work, as specified in Paragraph 6.0 (Administration of Agreement – County) of the Base Agreement under the Agreement. County personnel will provide direction to Contractor in areas relating to County policy information and procedural requirements.

4.2 CONTRACTOR PERSONNEL

As specified in Paragraph 7.0 (Administration of Agreement – Contractor) of the Base Agreement under the Agreement, Contractor shall designate Contractor's Project Director to lead and coordinate Contractor's provision of Services described hereunder and act as a central point of contact with County personnel. Contractor's personnel shall meet the qualifications and other specifications as set forth below in this Paragraph.

4.2.1 CONTRACTOR'S PROJECT DIRECTOR

- A. Contractor's Project Director shall have full authority to act on behalf of Contractor regarding all matters relating to the daily operations of the Agreement.
- B. Contractor's Project Director must have at least three (3) years of experience within the last five (5) years providing security project management services in a healthcare setting, including management and coordination of multiple locations.
- C. Contractor shall ensure that Contractor's Project Director, or qualified designee, is available and reachable by County regarding this Agreement, at a minimum via telephone, at all times during Business Hours.
- E. Contractor's Project Director shall institute and maintain appropriate supervision of all personnel providing Services on behalf of Contractor pursuant to the Agreement, including employees and subcontractors.

4.2.2 CONTRACTOR'S PROJECT MANAGER

- A. Contractor's Program Manager shall manage and provide oversight of the administrative functions, such as monthly invoices, administrative files and timesheets.
- B. Contractor's Project Manager shall be responsible for determining daily work duties, staffing levels, scheduling and staffing hours needed to properly provide Services under the Agreement.
- C. Contractor's Program Manager must have at least two (2) years of experience within the last three (3) years working for a security

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contractor and providing administrative duties such as timekeeping, personnel and payroll support.

4.2.3 SECURITY GUARD CLASSIFICATIONS

Contractor shall provide the following security Guard classifications for provision of Services (including Post coverage) in accordance with each applicable Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to this SOW:

A. Security Manager

Contractor shall provide Security Manager, as specified in Attachment 7.1 (Staff Specifications – Security Manager) of this SOW.

B. Supervising Guard

Contractor shall provide Supervising Guard, as specified in Attachment 7.2 (Staff Specifications – Supervising Guard) to this SOW.

C. Guard III

Contractor shall provide Guard III, as specified in Attachment 7.3 (Staff Specifications – Guard III) to this SOW.

D. Guard II

Contractor shall provide Security Guard II, as specified in Attachment 7.4 (Staff Specifications – Guard II) to this SOW.

E. Guard I

Contractor shall provide Security Guard I, as specified in Attachment 7.5 (Staff Specifications – Guard I) to this SOW.

4.2.4 PERSONNEL REQUIREMENTS

Contractor shall ensure that personnel providing Services pursuant to the Agreement meet, at a minimum, the requirements as specified below:

- A. Contractor shall provide sufficient personnel to fulfill the requirements of the Agreement and the Statement of Work.
- B. Contractor personnel must effectively communicate in English, both orally and in writing.
- C. Contractor shall notify County in writing of any change to Contractor's personnel and, if feasible, seek County's approval prior to the change in accordance with Paragraph 7.3 (Approval of Contractor Staff) of the Base Agreement under the Agreement regarding County's right to approve or disapprove Contractor's personnel.
- C. Contractor personnel shall be required to attend any scheduled meetings with County staff, as requested or required by County.

4.3 TRAINING

Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 3 (Training Outline) to this SOW, including Guard-specific and DHS mandatory training requirements for non-County workforce.

4.4 LITIGATION APPEARANCES AND COUNTY INVESTIGATIONS

4.4.1 Contractor's staff may be required to make litigation related appearances, including as a witness regarding job-related incidents.

4.4.2 Contractor's staff may be asked to cooperate during an investigation for job-related incidents by County personnel.

4.4.3 County will reimburse Contractor the cost of travel, lodging and per diem expenses actually incurred by Contractor's staff for any litigation related appearances and meetings, including investigation interviews, approved by County's Project Manager, at the rates not to exceed those approved for reimbursement to County employees.

4.5 APPLICANT FILE

Contractor shall submit to County for review and approval the applicant's pre-employment file for each member of Security Staff that may provide Services under the Agreement before scheduling background investigation in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. Contractor shall maintain a pre-employment file for each applicant referred to County for background investigation, which shall contain, at a minimum, the following:

4.5.1 EMPLOYMENT APPLICATION

The employment application, including a list of the candidate's jobs held and any periods of unemployment for the previous ten (10) years, including all security services experience.

4.5.2 MILITARY SERVICE DOCUMENTATION

If prospective applicant served in the military, documentation of all military experience (regular or reserve), including a copy of Selective Service Card DD Form 214 (Certificate or Release or Discharge from Active Duty).

4.6 ADMINISTRATIVE FILE

Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the following:

4.6.1 Driving Record, including a current printout of the Department of Motor Vehicle ("DMV") record for any Security Staff assigned to drive, which shall be updated annually.

4.6.2 Current and up-to-date Guard Registration Card, issued by the California Department of Consumer Affairs ("DCA"), Bureau of Security and Investigative Services ("BSIS").

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- 4.6.3 Current and up-to-date adult, child and infant CPR card, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours), and Automated External Defibrillator ("AED") certification.
- 4.6.4 Current and up-to-date First Aid Certification, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours).
- 4.6.5 Current and up-to-date baton permit issued by BSIS .
- 4.6.6 Valid and up-to-date California Class "C" Driver's License or California ID Card.
- 4.6.7 Health screening documentation specified in Paragraph 4.9 (Health Screening) of this SOW.
- 4.6.8 A file containing completed trainings and certificates as specified in Attachment 5 (Training Outline) to this SOW.

4.7 BACKGROUND AND INVESTIGATIONS

Contractor shall ensure that all personnel providing Services hereunder have undergone and passed, to the satisfaction of County, background checks in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. County's background investigation shall include, at a minimum, review of State, local and Federal level criminal conviction information obtained through fingerprints submitted to the California Department of Justice.

4.8 IDENTIFICATION BADGES

Contractor shall ensure personnel providing Services hereunder are appropriately identified in accordance with Paragraph 4.4 (Contractor's Staff Identification) of Exhibit A (Additional Provisions) to the Agreement.

4.9 HEALTH SCREENING

Contractor shall ensure personnel providing Services hereunder obtain health screenings in accordance with Paragraph 4.1 (Medical Health Screening) of Exhibit A (Additional Provisions) to the Agreement.

5.0 ROLES AND RESPONSIBILITIES

5.1 COUNTY'S RESPONSIBILITIES

Service Sites will be tasked with the roles and responsibilities as provided in this Paragraph 5.1 below.

5.1.1 FURNISHED ITEMS

- A. County may provide Contractor's staff with non-exclusive office or other space with furniture and/or equipment at a Service Site.
- B. County may provide furniture and equipment, which will be reasonably maintained or replaced due to normal wear and tear. Pictures of office space and furnishings shall be taken upon Contractor taking possession.

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- C. County will provide an inventory list of all furniture and equipment, which shall be signed by Contractor upon acceptance.
- D. County may inspect, request return of and otherwise have a right to enter and search such property at a Service Site.
- E. Upon termination or expiration of the Agreement, all County furniture and equipment shall be returned to County in good operating condition, less reasonable wear and tear. If County determines that any furniture or equipment is beyond reasonable wear and tear condition, Contractor shall be required to replace the furniture and/or equipment within 30 days from County's notice requesting such replacement.
- F. Contractor's Security Staff shall sign-in and sign-out for all County-furnished equipment, such as keys, when reporting for duty and at the end of the work shift. Replacement for any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property shall be the responsibility of Contractor. In addition, any costs associated with any such loss, disappearance, destruction, misuse or theft (i.e., re-keying Service Site, broken windows, loss or stolen equipment) shall be the responsibility of Contractor.
- G. Contractor's Project Manager shall report any improperly working or defective County-furnished equipment to the Service Site designee of County's Project Manager through a written memorandum within twenty-four (24) hours of Contractor's knowledge of the problem or defect.

5.1.2 POST ORDERS

County will provide to Contractor general Post Orders and Service Site specific Post Orders. General Post Orders will apply to all Service Site(s), while Service Site specific Post Orders will be unique to the requirements of a Service Site or Post. Contractor shall ensure that all members of its Security Staff are knowledgeable with and adhere to all general Post Orders and the applicable Service Site specific Post Orders.

5.2 **CONTRACTOR'S RESPONSIBILITIES**

5.2.1 STAFFING COVERAGE

A. Log of Questions, Inquiries and Complaints

Contractor shall maintain a written log of all questions, inquiries and complaints, the date and time each was received and a description of the action taken in response or reason for the non-action, together with its date and time. The log shall be made available to County for inspection at the request of County staff.

B. Holidays

Contractor shall be required to provide Services on County-recognized holidays at Service Site(s) operating on twenty-four

(24) hour/seven (7) days a week basis or upon request by County. Contractor's all-inclusive billable rate shall cover the cost of any holiday pay. A listing of County-recognized holidays may be found at the following link: <https://lacounty.gov/government/about-la-county/about/>.

5.2.2 CONTINGENCY GUARDS

Contractor shall maintain a minimum of fifteen (15) percent (15%) contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post. Contingency Guards shall be County background-cleared, trained and certified and shall meet the applicable requirements of a Guard. Contingency Guards shall be made available for deployment to a Service Site as needed, throughout the term of the Agreement. Contractor shall provide to County on a quarterly basis or as otherwise instructed by County a list of Contingency Guards qualified and available for provision of Services under the Agreement.

5.2.3 PLANNED AND UNPLANNED ABSENCES

Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences. Procedures for absences shall be as follows:

- Contractor shall notify the applicable Service Site designee of County's Project Manager of any planned absence as soon as possible and at least one (1) hour prior to any such unplanned absence.
- In the event Guard must leave during the shift, replacement Guard shall deploy within one (1) hour to complete the remaining shift.
- Contractor shall assign a Guard or Supervising Guard for planned and unplanned absences to ensure continuous Post coverage.
- For any reported unplanned absence, Contractor shall deploy a Guard or Supervising Guard to the Service Site within one (1) hour.
- If a Supervising Guard is deployed for an unplanned absence of a Guard, the Supervising Guard shall remain at the Post until a replacement Guard arrives.

B. Additional Coverage

Generally, coverage for any part of or any facility or site ("Additional Site(s)"), other than the Service Site(s) specified herein, is provided by the incumbent contractor assigned to the area for such facility/site. However, County may request that Contractor also provide coverage for any Additional Site(s), based on Contractor's capacity, capability and performance, as well as business needs of County. Upon agreement of the parties, coverage for any such Additional Sites shall be provided in the form of Additional Services in accordance with Paragraph 6.1 (Additional Services) at the Hourly Rates not to exceed those

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specified in Exhibit C (Pricing Schedule) to the Agreement for Required Services.

Furthermore, in the event that Contractor is not able to provide Additional Services for any part of or any Service Site in its assigned Area ("Additional Location(s)") as requested by County, County reserves the right to engage another contractor for provision of security guards for such Additional Location(s).

5.3 CONTRACTOR'S OFFICE

Contractor shall maintain an office with a telephone in Contractor's name where Contractor conducts business. The office shall be staffed during Business Hours by at least one (1) employee who can respond to questions and any inquiries or complaints which may be received about Contractor's performance under the Agreement. Outside of Business Hours, Contractor shall provide for telephone or remote after-hours service for receiving calls. Unless otherwise agreed to by the parties or specified under this SOW, Contractor shall respond to calls received by the after-hours service within thirty (30) minutes of the call.

5.4 REPORTING

Contractor shall submit to County the following reports:

5.4.1 MONTHLY INSPECTION REPORT

- A. A Monthly Inspection Report ("MIR") of Contractor's scheduled and unscheduled inspections shall be submitted by the tenth (10th) business day of each month for each Service Site for which Services were provided, for the preceding month of Services, which shall include:
 - 1. Full details on all Services provided.
 - 2. Any corrective action(s) taken.
 - 3. A clear description of the problems.
 - 4. The time elapsed between identification and completed corrective action(s).
- C. Contractor shall maintain all MIR records and reports for five (5) years following termination or expiration of the Agreement.

5.4.2 DAILY ACTIVITY REPORTS

- A. Guards shall note the time and briefly describe events that have taken place throughout the day, such as theft, fire, unauthorized entry to secured area, property damage, bodily injury, etc. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift. Sufficient time shall be allocated for Guards to discuss any issues or concerns prior to the beginning of the next shift.
- B. Supervising Guard shall document site visits with Guards with respect to the following: uniform inspection, training completed, relief given for breaks or meal periods, records reviewed. DAR

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shall also include any communication with the Department personnel encountered, contract monitors contacted and any CDR follow-up completed.

➤ DAR summary shall be made following each Service Site visit.

C. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift.

5.4.3 SECURITY INCIDENT REPORTS

Contractor shall provide Security Incident Reports ("SIR") for incidents considered emergencies (e.g., potential property damage or personal injury that requires the need for Fire and Law Enforcement personnel). After the incident is no longer an imminent concern, Contractor shall:

A. Immediately notify the applicable Service Site designee for County's Project Manager in-person or via phone and follow up with an email.

B. Complete and provide to County the SIR by the end of the shift during which the incident occurred, if possible, but no event later than twenty-four (24) hours after the incident.

5.4.4 MATRIX REPORT

Contractor shall submit by the tenth (10th) business day of every month a Matrix Report to track all required certificates, trainings and any revised trainings needed to maintain compliance with the Agreement. The Matrix Report shall include, at a minimum, the following:

A. Service Site(s) name;

B. Security Staff's last and first name;

C. Security Staff's card number;

D. Date of training;

E. Name of training (attach course description);

F. Type of training (computer, class/session (virtual or in-person), handout, demonstration), including a brief description

G. Baton permit expiration date;

H. CPR and First Aid expiration date;

I. Customer service training;

J. Date of most recent performance evaluation.

5.4.5 VEHICLE MILEAGE REPORT

Contractor shall submit by the tenth (10th) business day of every month a summary log of vehicle mileage that includes name and initials of Security Staff, starting and ending mileage listing of Service Site(s) visited that during patrols and inspections.

5.5 OPERATIONAL PLANS

Contractor shall develop and maintain during the term of the Agreement the following operational plans, which shall be subject to County's approval. Any updates to the operational plans must have County's approval. All plans and related materials will be maintained on file and available for review by County upon request.

5.5.1 CONTRACTOR'S CONTINUITY OF OPERATIONS PLAN

- A. If required by County, Contractor, in collaboration with County, shall develop and provide to County within sixty (60) days from the Effective Date of the Agreement a Continuity of Operations Plan ("COOP") for each Service Site in compliance with County's Chief Executive Office ("CEO"), Office of Emergency Management ("OEM") guidelines. Contractor's COOP will be used for assisting County with restoration of Service Site operations in the event of an emergency or a disaster. The COOP shall address, at a minimum, the following:
 1. Coordination of Service Site emergency response drills in cooperation with County personnel and emergency responders.
 - Contractor shall document and report to the Service Site designee of County's Project Manager the results of any emergency response drills conducted at the Service Site.
 2. A tabletop (scenario) COOP exercise, for each Service Site, to be conducted at a minimum once a year.
 - The purpose of the scenario exercise is to ensure that information in COOP is complete and accurate and that Contractor's Security Staff know their responsibilities during an emergency or disaster and adhere to the Service Site's emergency response plan.
 - The results of scenario exercises shall be reported to the Service Site designee of County's Project Manager and shall include, at a minimum, the following: an overview of the exercise conducted, name and position of participant(s), nature of any deficiencies, a corrective action plan and the timeframe to correct deficiencies.
- B. The COOP shall be updated on an ongoing basis to reflect any changes in information as well as Service Site's current operations and emergency response plan, with updated COOP provided to the Service Site designee of County's Project Manager.
- C. Failure to adhere to the COOP in the event of an emergency or disaster may result in assessment by County of liquidated damages as specified in the Agreement, including Attachment 4 (Performance Requirements Summary) to this SOW.

5.5.2 RECRUITMENT PLAN

Contractor shall develop and provide to County at least ten (10) business days prior to commencing Services under the Agreement Contractor's plan ("Recruitment Plan") for recruiting Security Staff and maintaining a steady 15% pool of Contingency Guards. Contractor shall update the Recruitment Plan during the term of the Agreement and provide the updated Recruitment Plan to the Service Site designee of County's Project Manager.

6.0 ADDITIONAL SERVICES AND CHANGES TO SCOPE

6.1 ADDITIONAL SERVICES

County may request provision of Services other than those described or specified in Paragraph 3.0 (Required Services) above or elsewhere in the Agreement, including professional services ("Additional Services"). Additional Services may be provided on a time and materials basis or fixed price basis, as authorized by County. Additional Services shall require approval from the applicable Service Site designee of County's Project Manager of the requesting Service Site prior to commencement.

Upon County's request for provision of Additional Services on a fixed price basis, Contractor shall prepare and submit a written description of the work to be performed, together with a cost estimate for completion of the requested Additional Services, inclusive of all labor, materials, travel and any per diem costs at the applicable rates that may be set forth in the Pricing Schedule. Upon County's request for provision of Additional Services on a time and materials basis, Contractor shall provide a best estimate of the number of hours needed to complete the requested Additional Services. In any case, any acquisition of Additional Services shall be memorialized by an appropriate modification to the Agreement.

6.2 CHANGES TO SCOPE

The Director of DHS, or authorized designee, may add and/or delete Service Sites or otherwise require changes to the scope of the Agreement. Any such changes shall be made by a modification to the Agreement as authorized by Paragraph 8.1 (Amendments and Modifications) of the Base Agreement under the Agreement.

7.0 CONTRACTOR'S QUALITY CONTROL

Contractor shall establish and maintain the plans and procedures described below, including a comprehensive Quality Control Plan ("QCP"), to ensure provision by Contractor of consistently high level of Services throughout the term of the Agreement. Contractor shall submit for review and approval to County's Project Manager its QCP within 30 days of the Effective Date of the Agreement. Contractor shall resolve within 10 business days any concerns raised by County regarding the QCP, make any required adjustments and resubmit a revised QCP to County.

7.1 QUALITY CONTROL PLAN

The Quality Control Plan ("QCP") shall include, at a minimum, the following:

STATEMENT OF WORK

- 7.1.1 Description of Contractor's standards to improve quality, efficiency and effectiveness of Services provided hereunder, including:
- Identification of opportunities for improvement;
 - Clear expectations and metrics about the action required to improve performance;
 - Contractor's support and resources available to make the improvements;
 - Follow-up plans to measure Contractor's progress with improving and sustaining performance; and
 - Description of possible consequences if performance improvement standards are not met.
- 7.1.2 Description of Contractor's plan to maintain compliance with all applicable laws, standards and regulations, including County policies, procedures and/or departmental bulletins approved by the Director of DHS, or designee, relating to the performance standards and outcome measures.
- 7.1.3 Description of Contractor's methods of monitoring to ensure:
- All Agreement requirements are being met; and
 - All of Contractor personnel who provide Services hereunder maintain current immunizations and licenses and meet the training and other requirements under the Agreement.

7.2 QUALITY RECORDS

Contractor shall perform periodic quality audits to ensure Services, including equipment used for provision of Services, adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.

8.0 COUNTY'S QUALITY ASSURANCE

8.1 QUALITY ASSURANCE PLAN

County may evaluate Contractor's performance under the Agreement on an annual basis or more frequently, as determined by County. Evaluation of Contractor's performance may include, among others, County's assessment of Contractor's compliance with the requirements of the Statement of Work and invoicing.

8.2 CONTRACTOR DISCREPANCY REPORT

8.2.1 Verbal or written notification of any Agreement discrepancy will be made to Contractor's Project Director as soon as possible whenever a discrepancy is identified. Contractor shall, without unreasonable delay, resolve the problem within a period of time mutually agreed to by County and Contractor.

8.2.2 County's Project Manager will determine whether a formal CDR shall be issued. Upon receipt of a CDR, Contractor shall, within five (5)

STATEMENT OF WORK

business days of receipt of the CDR, provide to County's Project Manager a written response, which shall include a corrective action plan and proposed timeframe(s) for improving performance to an acceptable level and preventing re-occurrence of the deficiencies identified in the Contractor Discrepancy Report.

8.3 PERFORMANCE REQUIREMENTS SUMMARY

- 8.3.1 County may identify certain critical and minimum acceptable requirements of Contractor's performance of the Agreement in a Performance Requirements Summary, as set forth in Attachment 3 (Performance Requirements Summary) to this SOW ("PRS Chart").
- 8.3.2 The provisions listed in the PRS Chart are intended to be consistent with the requirements of the Agreement, including the Statement of Work, and not to create, extend, revise or expand any obligations of Contractor beyond such requirements. In the event of apparent inconsistency between the requirements of the Agreement and the PRS Chart, the meaning apparent in the Agreement shall prevail.
- 8.3.3 Failure by Contractor to comply with the requirements set forth in the PRS Chart at any time during the term of the Agreement shall entitle County, at its sole discretion, in addition to any other remedies available to County under the Agreement, to assess credits, fees or other financial deductions against Contractor as specified in the PRS Chart.

8.4 COUNTY OBSERVATIONS

In addition to departmental contracting staff, other County personnel may, at any time during normal Business Hours, without unreasonably interfering with Contractor's performance, observe Contractor's performance and activities, as well as review documents relevant to the Agreement.

**ATTACHMENT 1
SERVICE SITES
SECURITY GUARD SERVICES
AREA 2**

SERVICE SITE	STREET ADDRESS	CITY	STATE	ZIP	POINT OF CONTACT
Los Angeles General Medical Center	2051 Marengo Street	Los Angeles	CA	90033	Elizabeth C. Escobar / Safety Officer / ecabrejosescobar@dhs.lacounty.gov (323) 409-7481 Sajid Yerunkar / FM Director / syerunkar@dhs.lacounty.gov (323) 409-6451
Department of Medical Examiners	1104 N Mission Rd.	Los Angeles	CA	90033	Silvia Gonzalez sgonzalez@me.lacounty.gov 323-343-0682
DHS HIM & JCHS Departments	1925 Daly St.	Los Angeles	CA	90031	Traci Sims tsims2@dhs.lacounty.gov 323-986-2263 Elena Laurich elaurich@dhs.lacounty.gov 323-986-2240

ATTACHMENT 2

CONTRACTOR DISCREPANCY REPORT

CDR NUMBER	DATE CDR PREPARED
SERVICE SITE / FACILITY	
CONTRACTOR	AGREEMENT / CONTRACT NUMBER
TO CONTRACTOR'S STAFF [NAME AND TITLE]	FROM [COUNTY'S STAFF NAME AND TITLE]

INCIDENT DETAILS

DATE(S) OF INCIDENT	TIME(S) OF INCIDENT	LOCATION(S) OF INCIDENT
DESCRIPTION OF INCIDENT		
CONTRACTUAL REQUIREMENT(S) – INCLUDE AGREEMENT REFERENCE(S)		

CONTRACTOR DUE DATES

[refer to Agreement to confirm number of days allotted]

1) Contractor's Written Acknowledgement of discrepancy response due within two (2) business days from the date of this CDR: _____	
2) Contractor's Correction Plan of all deficiencies identified in this CDR due within five (5) business days from the date of this CDR: _____	
SIGNATURE OF COUNTY'S REPRESENTATIVE	DATE

CONTRACTOR CORRECTIVE ACTION PLAN

IDENTIFY THE ROOT CAUSE OF INCIDENT AND CORRECTIVE ACTION TAKEN		
PLAN FOR PREVENTION OF FUTURE INCIDENTS		
WRITTEN NAME & TITLE OF CONTRACTOR'S REPRESENTATIVE	SIGNATURE OF CONTRACTOR'S REPRESENTATIVE	DATE

STATEMENT OF WORK

COUNTY EVALUATION OF CONTRACTOR'S RESPONSE				
	YES	NO (IF NO, FURTHER ACTION IS REQUIRED)	Not Applicable (N/A)	ACTION TAKEN / COMMENTS
Contractor acknowledgement of CDR received by Due Date				
Contractor Corrective Action Plan (CAP) received by Due Date				
CAP resolves Discrepancy(ies)				
Plan for Prevention of future incidents is acceptable				
Contractor notified of deficient CAP & possible PRS assessment (Due Date for acceptable CAP is 10 business days)				
Contractor resolved deficient CAP				
If no, Contractor notified of PRS Assessment				
PRS Deductions taken (Invoice No./ Date)				
CONTRACTOR NOTIFIED OF ACTION				
WRITTEN NAME & TITLE OF COUNTY REPRESENTATIVE:		SIGNATURE OF COUNTY REPRESENTATIVE:		
DATE:				
WRITTEN NAME & TITLE OF CONTRACTOR REPRESENTATIVE:		SIGNATURE OF CONTRACTOR REPRESENTATIVE:		
DATE:				

STATEMENT OF WORK

ATTACHMENT 3 **PERFORMANCE REQUIREMENTS SUMMARY**

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
BASE AGREEMENT			
Base Agreement: Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)	Contractor shall maintain all required records, as specified in Paragraph 8.42.	Inspection of files	\$100 per incidence of non-compliance
Base Agreement: Paragraph 8.45 (Subcontracting)	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection and Observation	\$100 per incidence of non-compliance.
ADDITIONAL PROVISIONS			
Additional Provisions: Paragraph 10 (Compliance with County's Advance High Road Jobs Initiative)	Contractor shall be in compliance with the County's Advancing High Road Jobs Initiative.	Semi-annual report	\$100 per incidence of non-compliance.
STATEMENT OF WORK			
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall assign Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.	Inspection and Review	\$200 per hour, per Open Post; Open Post are tracked in one-hour increments.
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall develop and maintain up-to-date a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW, which shall specify the shifts and shall be made available to County upon request.	Inspection and Review	\$100 per occurrence of failure to provide to County a deployment roster upon request or for providing an outdated deployment roster.
SOW: Paragraph 3.2.3 (Emergency Services)	Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows: ➤ Immediately and no later than one (1) hour from the time of the request; or ➤ On the date(s) and time as requested by County.	Inspection and Review	\$200 per occurrence of failure to provide Post coverage in compliance with Paragraph 3.2.3.

STATEMENT OF WORK

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 3.2.8 (Electronic Post Confirmation System)	Contractor shall provide an automated clock-in/clock System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty.	Observation, Inspection of time sheets and random Site Visits	\$500 per occurrence of any errors or issues relating to Electronic Post Confirmation System.
SOW: Paragraph 3.3 (Contractor's Obligations and Requirements)	Contractor shall ensure that (i) each Service Site is appropriately staffed; (ii) Security Staff meet performance standards; and (iii) Security Staff meet the minimum requirements, as specified in Paragraph 3.3.	Inspection and Observation	\$500 per incidence of non-compliance.
SOW: Paragraph 3.4 (Performance Standards and Requirements)	Contractor shall (i) maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to performance of Services; and (ii) meet Service Site onboarding criteria, as specified in Paragraph 3.4.	Inspection and Observation	\$100 per incidence of non-compliance.
SOW: Paragraph 4.2 (Contractor Personnel)	Contractor's personnel shall meet the qualifications and other specifications as set forth in Attachments (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the SOW.	Observation, random Inspections; Review of administrative files	\$500 per incidence of non-compliance
SOW: Paragraph 4.3 (Training)	Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 5 (Training Requirements) to the SOW.	Observation, random Inspections; Review of administrative files	\$100 per each employee non-compliant with the requirements of Attachment 5 (Training Requirement) to the SOW.
SOW: Paragraph 4.6 (Administrative File)	Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the documentation, as specified in Paragraph 4.6.	Inspection and Review	\$100 per occurrence for any missing, or incomplete or outdated administrative file documentation specified in Paragraph 4.6

STATEMENT OF WORK

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 5.2.2 (Contingency Guards)	Contractor shall maintain a minimum of fifteen (15) percent contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post, as specified in Paragraph 5.2.2.	Inspection and Review	15% deduction from each invoice within the applicable Area.
SOW: Paragraph 5.2.3 (Planned and Unplanned Absences)	Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences, as specified in Paragraph 5.2.3.	Inspection and Review	\$500 per occurrence of violation of Paragraph 5.2.3.
SOW: Paragraph 5.4 (Reporting)	Contractor shall provide to County the Monthly Inspection Report (MIR), Daily Activity Reports (DAR), Security Incident Reports (SIR), Matrix Report, and the Vehicle Milage Report, as specified in the Paragraph 5.4.	Inspection and Review	\$100 per occurrence of failure to provide any of the reports identified in Paragraph 5.4.
SOW: Paragraph 5.5.1 (Contractor's Continuity of Operations Plan)	Failure to adhere to Contractor's COOP approved by County in the event of an emergency or disaster as required under Paragraph 5.5.1.	Inspection and Observation	\$1,000 per incidence of non-compliance.
SOW: Paragraph 7.0 (Contractor's Quality Control)	Contractor shall establish and maintain a QCP as required in Paragraph 7.0.	Inspection and Observation	\$250 and revisited if not provided within 10 business days.
SOW: Paragraph 7.2 (Quality Records)	Contractor shall perform periodic quality audits to ensure Services adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.	Inspection and Review	\$200 per occurrence of any missing or incomplete records.

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
2	Los Angeles General Medical Center	Security Operations	Security Manager	1	0800 - 1430	Mon - Fri, Hol
	Los Angeles General Medical Center	On-Site Supervising Guard	Supervising Guard	6	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	On-Site Supervising Guard	Supervising Guard	8	0700-1530	Sun-Sat, Hol (everyday)
	Los Angeles General Medical Center	On-Site Supervising Guard	Supervising Guard	6	1500 - 2330	Sun-Sat, Hol (everyday)
	Los Angeles General Medical Center	On-Site Supervising Guard	Supervising Guard	4	2300 - 0730	Sun-Sat, Hol (everyday)
	Los Angeles General Medical Center	Clinic Tower Rover	Guard I	1	1530 - 0800	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Clinic Tower Bridge / X-Ray / Rover	Guard I	1	0600 - 2300	Mon - Fri, Hol

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

	Los Angeles General Medical Center	Clinic Tower Psych Walk-In	Guard III	1	0730 - 1730	Mon - Fri, Hol
	Los Angeles General Medical Center	Wellness Center	Guard I	1	0800 - 1630	Mon - Fri, Hol Sat
	Los Angeles General Medical Center	Wellness Center	Guard I	1	0830 - 1200	Mon - Fri, Hol Sat
	Los Angeles General Medical Center	OPD 2nd Floor	Guard I	1	0600 - 2230	Mon - Fri
	Los Angeles General Medical Center	OPD Rover (3rd Fl & Above)	Guard I	1	0630 - 1500	Mon - Fri
	Los Angeles General Medical Center	General Hospital Loading Dock	Guard I	1	0600 - 1430	Mon - Fri, Hol
	Los Angeles General Medical Center	School of Nursing	Guard I	1	0600 - 2230	Mon - Sat, Hol
	Los Angeles General Medical Center	Parking Lot 12A	Guard I	1	0600 - 1400	Mon - Fri

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

	Los Angeles General Medical Center	Rand Schrader	Guard I	2	0630 - 1500	Mon - Fri
	Los Angeles General Medical Center	Rand Schrader	Guard I	1	1500 - 2330	Mon - Fri
	Los Angeles General Medical Center	Clinic Tower CT and DT Rover	Guard I	1	0730 - 2400	Mon - Fri, Hol
	Los Angeles General Medical Center	Parking Lot 5	Guard I	1	0500 - 1330	Mon - Fri, Hol
	Los Angeles General Medical Center	Parking Lot 5	Guard I	1	1300 - 2130	Mon - Fri, Hol
	Los Angeles General Medical Center	Courtyard/Inpatient Tower Turnaround	Guard I	1	0730 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	CT Entrance Peak Hours Scan/X-Ray	Guard II	2	0730 - 1600	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Clinic Tower 1st Floor Employee Entrance	Guard I	1	0730 - 1600	Mon - Fri, Hol

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

2	Los Angeles General Medical Center	IPT Rover 4th - 7th Floor	Guard I	1	1530 - 2400	Sun - Sat, Hol
	Los Angeles General Medical Center	Clinic Tower Rover	Guard I	2	0730 - 1600	Mon - Fri, Hol
	Los Angeles General Medical Center	Clinic Tower	Guard I	1	2330 - 0800	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	IRD 1st Floor	Guard I	1	0730 - 1600	Mon - Fri, Hol
	Los Angeles General Medical Center	D&T Tower	Guard I	1	0730 - 1600	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Traffic Control / Rover	Guard I	2	0730 - 1600	Mon - Fri
	Los Angeles General Medical Center	Clinic Tower Bridge Scan	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	CT Tower Entrance X-Ray	Guard II	1	0630 - 2230	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

2	Los Angeles General Medical Center	CT / ER Observation	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	D&T / ER Ambulance Back Entrance	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	D&T ER Waiting Area	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	D&T Walk-In ER Scan	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	D & T Walk-In ER X-Ray	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	D&T - Peds/Psych ER	Guard III	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	DEM Triage Entrance	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	DEM Waiting Lobby/Rover	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

2	Los Angeles General Medical Center	D&T Tower - ER Ambulance Entrance	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Emergency Department Rover	Guard III	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Emergency Department/Relief/ICU	Guard III	1	0630 - 2230	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	IPT 8th Floor Peds	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	IPT Loading Dock / Gate 4	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	IPT Psych Ward 8B	Guard III	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	IPT Tower Elevator	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	IPT Weapon Scan	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

2	Los Angeles General Medical Center	IPT Weapons X-Ray	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	L & D Hallway	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Dispatch	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Z-38D /Exterior Rover	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	OPD 3rd Floor Lobby (ENT)	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	OPD 3rd Floor weapon screening (entrance)	Guard I	1	0730 - 1600	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	OPD VIP after hours	Guard I	1	1600 - 0800	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Parking Lot 10	Guard I	1	2330 - 1930	Mon - Fri, Hol

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

	Los Angeles General Medical Center	Perimeter Patrol	Guard I	4	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Psych ER	Guard III	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Relief	Guard I	3	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	8B Exits	Guard I	3	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Marengo St. Traffic	Guard I	1	0600 - 1400	Mon - Fri
	Los Angeles General Medical Center	Ambulance Entrance / Guard Shack	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Los Angeles General Medical Center	Old GH 1850 Hallway Entrance Rover	Guard I	1	1430 - 2300	Mon - Fri
	Los Angeles General Medical Center	OPD Screening	Guard II	2	0730 - 1600	Mon - Fri

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

2	Los Angeles General Medical Center	Parking Lot 9D	Guard I	1	0600 - 1400	Mon - Fri, Hol
	Los Angeles General Medical Center	Rover IPT	Guard I	1	0730 - 1600	Mon - Fri, Hol
	Los Angeles General Medical Center	Cemetery Post Z-41	Guard I	1	2200 - 0600	Mon - Fri, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	2330 - 0800	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	2330 - 0800	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	0730 - 0000	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	0730 - 0000	Sun - Sat, Hol

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

2	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	0730 - 0000	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	0730 - 1600	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	0000 - 2400	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Rover 2E	Guard III	1	0000 - 2400	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Sally Port	Guard III	1	0000 - 2400	Sun - Sat, Hol
	Los Angeles General Medical Center	Psych Ward Sally Port	Guard III	1	0000 - 2400	Sun - Sat, Hol

**ATTACHMENT 4.2
MINIMUM STAFF COVERAGE - AREA 2**

	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
2	Department of Medical Examiner	104A Building / Breezeway	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Department of Medical Examiner	104A Building, Interior Patrol	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
2	Department of Medical Examiner	Red Brick Building Patrol	Guard I	1	0800 - 1700	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
2	DHS HIM & JCHS Departments	Parking Lot Rover	Guard I	1	0600 - 1430	Mon - Fri

APPENDIX B – ATTACHMENT 5

TRAINING REQUIREMENTS

This Attachment 5 sets forth the training requirements for the provision of Security Guard Services under the Agreement, required by the County of Los Angeles ("County") for the provision of Services by Security Guards I, II and III ("Guard(s)"), Supervising Guards and Security Managers (Security Staff). Contractor shall ensure that all Security Staff working at County buildings, hospitals and/or clinics ("Service Site(s)") complete all applicable training required by County, as set forth herein below. **Unless indicated otherwise in writing by the County, all such training shall be at no cost to the County.**

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required Prior to 1st Day at Service Site	
1	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the Statement of Work: ➤ Power to Arrest ➤ Weapons of Mass Destruction and Terrorism Awareness ➤ Public Relations – Community and Customer ➤ Observation and Documentation ➤ Communication and its Significance ➤ Liability/Legal Aspects ➤ First Aid / Cardiopulmonary Resuscitation (CPR) / Automated External Defibrillator (AED) ➤ Baton Permit <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	All Security Staff
2	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.4) under Attachment 7 (Staff Specifications) to the Statement of Work. ➤ Monitoring Crowd Control ➤ Trespass Course ➤ Arrest, Search, and Seizure ➤ Chemical Agents <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	Guard II's, Guard III's, Supervising Guards & Security Managers

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required to be Completed on 1st Day of Assignment at Service Site	
3	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on their first day of deployment at a Service Site: ➤ Post Orders & Assignments ➤ Facility Policies/Orientation ➤ Evacuation Procedures ➤ Handling Difficult People ➤ Workplace Violence* ➤ Officer Safety ➤ Access Control ➤ Compliance Awareness Training (CAT) ➤ Commercial Sexual Exploitation of Children (CSEC 101) ➤ County Wide Privacy Awareness Training ➤ Cybersecurity Awareness Curriculum ➤ HIPPA for Covered Entities <i>*Security Staff will be required to complete a Workplace Violence course annually thereafter.</i>	All Security Staff
4	Training documents for this course will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete this course on their first day of employment under this Agreement: ➤ Just Culture Managers and Supervisors	Supervising Guard & Security Managers
	Post Specific Training	
5	Contractor shall train all Security Staff on use of Contractor-issued vehicles and other transportation, upon a patrol assignment at a Service Site: ➤ Vehicle and Other Transportation Usage	All Security Staff Assigned Vehicles and Other Transportation
6	Contractor shall train all Security Staff on use of equipment used to screen for weapons, including x-ray machines and hand-held magnetometers prior to assignment at a Service Site: ➤ Weapon Detection Equipment Usage	All Security Staff Assigned to Post with Weapon Detection Equipment

	NAME OF COURSE/ CERTIFICATE/PERMIT	STAFF REQUIRED
	Ongoing DHS Training	
7	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on an Annual basis: ➤ Facility Reorientation Handbook ➤ Employee Health Services Annual Tuberculosis Surveillance Training ➤ Workplace Violence	All Security Staff
8	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Employees ➤ Sexual Harassment and Discrimination Prevention for Non-Supervisors	Guards
9	Course documents will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Supervisors ➤ Sexual Harassment and Discrimination Prevention for Supervisors	Supervising Guard & Security Managers

SOW - ATTACHMENT 6

DEPARTMENT NAME: _____

October 2026

STAFF SPECIFICATIONS – SECURITY MANAGER

Security Manager shall be assigned to one or more Services Sites for the management of the Security Staff providing Services under the Agreement, including Supervising Guard, Guard I, II, and III as specified in the Statement of Work. Security Managers may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least two (2) years of full-time paid experience as a security supervisor in a healthcare environment, within the last three (3) years and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing direction and instruction to Post and/or patrolling Supervising Guard by making daily rounds of assigned Location(s) and maintaining Supervising Guard performance.
- Explaining post procedures under Post Orders.
- Providing Training to Supervising Guards under his/her supervision and ensuring that each Supervising Guard fully understands the duties and services to be provided.
- Being available for inspections from DHS personnel.
- Being available to Supervising Guard under his/her supervision at all times during the assigned shift.
- Providing technical and administrative advice to Supervising Guards as appropriate.
- Ensuring adequately assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard's performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and providing necessary support.
- Training applicable security guards on the use of radios and Services Sites codes.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Sites.

BACKGROUND INVESTIGATIONS:

Each Security Manager is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Security Manager or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

STATEMENT OF WORK - ATTACHMENT 7.1

MEDICAL HEALTH SCREENING:

Security Manager must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Security Managers, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Security Managers are required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Security Manager must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.2

STAFF SPECIFICATIONS – SUPERVISING GUARD

Supervising Guard (also “Supervisor”) shall be assigned to one or more Services Sites for supervision of Guards providing Services under the Agreement, including Guard I, II and III, as specified in the Statement of Work. Supervisors may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least (2) years within the last three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring adequate assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard’s performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and provide necessary support.
- Training applicable security guards on the use of radios and Services Site(s) codes.
- Conducting investigations of incidents and preparing a written memorandum of Security Incident Report (“SIR”) and submitting the SIR to the Service Site designee of County’s Project Manager by the end of the Supervisor’s shift or within twenty-four (24) hours of the incident.
- Covering applicable Post for applicable Guards during breaks, meal, and absences.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Site(s).

BACKGROUND INVESTIGATIONS:

Each Supervising Guard is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor’s staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Supervising Guard or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Supervising Guard must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Supervising Guards, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor’s staff classified as Supervising Guard are required to have a valid California Class “C” Driver’s.

STATEMENT OF WORK – ATTACHMENT 7.2

TRAINING REQUIREMENTS:

Supervising Guard must pass and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD III

Guard III shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard III will be assigned to a Post distinguished by County as a higher potential risk. Guard III may also assume a “Team Lead” role in which they will oversee an area to ensure Guards I and II are performing their duties; immediately respond to issues or concerns raised by Guards I and II related to security matters.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard III must have at least three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing supportive and a lead role in advising and assisting Guards I and II.
- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons, or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).

STATEMENT OF WORK - ATTACHMENT 7.3

- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard III is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard III or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard III must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard III, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard III may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard III must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD II

Guard II shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard II will be assigned to a Post distinguished by County as a higher potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard II must have at least one (1) year of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, render first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard II is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard II or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard II must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard II, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard II may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard II must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

STAFF SPECIFICATION - GUARD I

Guard I shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard I will be assigned to a Post distinguished by the County as a lower potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard I must be 18 years of age and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Services Sites, or a restricted area within a Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Sites.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Service Site and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluate the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by Service Sites.
- Logging activities and events on the Daily Activity Report (DAR).

BACKGROUND INVESTIGATIONS:

Each Guard I is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard I or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard I must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard I, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard I may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard I must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

EXHIBIT C
PRICING SCHEDULE

This Exhibit C (Pricing Schedule) to the Agreement sets forth the pricing and payment terms for provision of Services pursuant to the Agreement. The terms or phrases used herein without definitions shall have the meanings given to such in the Agreement, including the Statement of Work.

1.0 PRICING AND PAYMENTS

1.1 SERVICE FEES

The fees for Services ("Service Fee(s)") specified in this Pricing Schedule are the maximum amounts that shall be payable by County to Contractor for the Services provided pursuant to the Agreement. Unless amended pursuant to a duly authorized amendment to the Agreement, the Service Fees shall not increase during the term of the Agreement. Contractor shall invoice County the Service Fees for Services provided in accordance with the requirements of the Statement of Work. Unless otherwise provided in the Agreement, Service Fees shall include any and all costs and fees associated with the provision of Services.

Contractor shall provide all Services and fulfill all requirements of the Statement of Work in exchange for the Service Fees specified below.

1.2 PRICING TERMS

Pricing and reimbursement for Services provided pursuant to the Agreement shall be subject to the following terms and conditions:

Security Staff Classification	Year 1 Hourly Rate	Year 2 Hourly Rate	Year 3 Hourly Rates	Year 4 Hourly Rate	Year 5 Hourly Rate
Guard I	\$35.75	\$35.75	\$35.75	\$35.75	\$35.75
Guard II	\$36.59	\$36.59	\$36.59	\$36.59	\$36.59
Guard III	\$37.79	\$37.79	\$37.79	\$37.79	\$37.79
Supervising Guard	\$39.49	\$39.49	\$39.49	\$39.49	\$39.49
Security Manager	\$50.13	\$51.58	\$53.08	\$54.62	\$56.23
Project Manager	\$67.67	\$69.82	\$72.04	\$74.34	\$76.72
Project Director	\$90.00	\$92.93	\$95.96	\$99.10	\$102.35
Area 2: Maximum Obligation			\$114,244,182		

2.0 INVOICING

2.1 INVOICING

Terms	☒ Monthly in Arrear ☐ Monthly in Advance ☐ Other _____
Due Date	☐ 15 th of each month ☐ End of each month ☐ Other _____
Submission	To contact(s) for billing identified in Exhibit E (County's Administration) or Attachment 1 (Service Sites) under Exhibit A (Statement of Work), as applicable.

Unless otherwise instructed by County, Contractor shall submit a separate invoice for each Service Site, if any, to County's Project Manager or the Service Site PM, as applicable. All invoices submitted by Contractor shall include a billing summary of the Services provided. County and Contractor will agree on the invoice format, which shall include, at a minimum, the information specified below:

1. Invoice #
2. Invoice Date
3. Service Site, if any
4. Date of Services
5. Description of Services
6. Service Fees
7. Total invoice amount

2.2 EXPENSES

Unless specified otherwise in the Agreement or the Statement of Work, the Service Fees specified in this Pricing Schedule are the only amounts that Contractor may charge County and be reimbursed for provision of Services under the Agreement, and County shall not pay Contractor overtime premiums, travel expenses, meals, lodging, holidays, vacation, sick leave, per diem or any other expenses that may be incurred by Contractor in the course of provision of the Services.

If Contractor is authorized under the Agreement or by County to be reimbursed for expenses (mileage, parking, etc.) incurred in the course of provision of Services in addition to the Service Fees payable under the Agreement, the reimbursement rates for such expenses shall not exceed those approved by County for reimbursement to County employees.

EXHIBIT D
ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR'S NAME Inter-Con Security Systems, Inc.

COUNTY AGREEMENT NO. _____

GENERAL INFORMATION:

Contractor referenced above has entered into the County Agreement identified above (hereafter "County Agreement") to provide certain services to the County of Los Angeles (hereafter "County"). County requires Contractor to sign this Contractor Acknowledgement and Confidentiality Agreement (hereafter "Confidentiality Agreement").

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that Contractor employees, consultants, outsourced vendors, independent contractors and agents (hereafter "Contractor's Staff") that will provide services pursuant to the above referenced County Agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced County Agreement.

Contractor understands and agrees that Contractor's Staff are not employees of County for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of work under the above-referenced County Agreement. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by County and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with County. County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor understands and agrees that if it or Contractor's Staff are involved in County work, County must ensure that Contractor and Contractor's Staff will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by it or Contractor's Staff for County.

Contractor, on behalf of itself and Contractor's Staff, hereby agrees that neither it nor Contractor's will divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced County Agreement. Contractor agrees that it and Contractor's Staff shall forward to County's Project Manager all requests for the release of any data or information received.

Contractor agrees that it and Contractor's Staff shall keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from County, design concepts, algorithms, programs, formats,

documentation, Contractor's proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the County Agreement. Contractor further agrees that it and Contractor's Staff shall protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor also agrees that if proprietary information supplied by other County vendors is provided to Contractor's Staff during employment, Contractor and Contractor's Staff shall keep such information confidential during and following the term of the County Agreement.

Contractor agrees that it and Contractor's Staff shall report any and all violations of this Confidentiality Agreement by Contractor or Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor acknowledges that violation of this Confidential Agreement by Contractor or Contractor's Staff may subject Contractor and Contractor's Staff to civil and/or criminal action and that County may seek all possible legal redress.

SIGNATURE: 

DATE: 4/29/2026

PRINTED NAME: Kevin Hernandez

POSITION: Chief Strategy Officer

EXHIBIT E
COUNTY'S ADMINISTRATION

COUNTY'S PROJECT DIRECTOR

Name Julio C. Alvarado

Title Director, Contracts Administration & Monitoring

Phone (213) 288-7819

Email jalvarado@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER

Name Matthew Ohan

Title Staff Analyst, Health

Phone 562-385-6563

Email mohan@dhs.lacounty.gov

SERVICE SITE – SERVICE SITE PROJECT MANAGER / BILLING

Name Joseph Mesina

Title Fiscal Officer II

Phone 626-525-5265

Email jomesina@dhs.lacounty.gov

EXHIBIT F
CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S WEBVEN VENDOR ID: 198168

CONTRACTOR'S PROJECT DIRECTOR

Name Michael Bogosian

Title VP Operations

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email mbogosian@icsecurity.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name Kevin Hernandez

Title Chief Strategy Officer

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email KHernandez@icsecurity.com

Name Richard Stack

Title Chief Operating Officer

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email RStack@icsecurity.com

EXHIBIT G
CHARITABLE CONTRIBUTIONS CERTIFICATION

[Vendor/Contractor]: Inter-Con Security Systems, Inc

Address: 210 S. De Lacey Ave Pasadena, CA 91105

Internal Revenue Service Employer Identification Number: 95-3020192

☐ The Agency or Contractor is exempt from the California Nonprofit Integrity Act.

California Registry of Charitable Trusts "CT" number (if applicable): _____

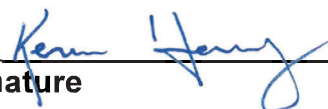
The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒ Vendor or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Vendor engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Vendor or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.



Signature

Date: 04-29-2026

Name of Signer: Kevin Hernandez

Title: Chief Strategy Officer

DEPARTMENT OF HEALTH SERVICES



AGREEMENT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

INTER-CON SECURITY SYSTEMS, INC.

FOR

SECURITY GUARD SERVICES

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EXHIBITS

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- B** Statement of Work
- C** Pricing Schedule
- D** Acknowledgement and Confidentiality Agreement
- E** County's Administration
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- G** Charitable Contributions Certification

**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
INTER-CON SECURITY SYSTEMS, INC.
FOR
SECURITY GUARD SERVICES**

This Agreement, including the Exhibits, is made and entered into on the 1st day of October, 2026, (hereinafter "Effective Date") by and between the County of Los Angeles (hereinafter "County") and Inter-Con Security Systems, Inc. (hereinafter "Contractor"), located at 210 South De Lacey Ave, Pasadena, CA 91105.

RECITALS

WHEREAS, pursuant to Sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services, the facilities, premises and other service sites; and

WHEREAS, County may contract for Security Guard Services when certain requirements are met; and

WHEREAS, Contractor is a private entity specializing in the provision of Security Guard Services (hereinafter "Services") that may be solicited by County; and

WHEREAS, this Agreement is authorized pursuant to the provisions of Sections 26227 and 31000 of the California Government Code and Section 1451 of the California Health and Safety Code; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide the Services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

1.1 INTERPRETATION

The Exhibits attached to this base document (hereinafter "Base Agreement") form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule or the contents or description of any task, deliverable, goods, service or other work or otherwise between the Base Agreement and the Exhibits, or among Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Base Agreement, then to Exhibit A (Additional Provisions) (hereinafter "Additional Provisions") and then to the remaining Exhibits in alphabetical order.

Paragraph headings are utilized throughout this Agreement for convenience and reference only and are not intended to define the scope of any provision hereof.

Unless specified otherwise, any Paragraph references herein shall be made to the provisions of the Base Agreement.

1.2 ENTIRE AGREEMENT

This Agreement constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 8.1 (Amendments and Modifications) and signed by both parties.

2.0 DEFINITIONS

The terms and phrases in this Paragraph, with the initial letter capitalized where applicable, whether singular or plural, whenever used in this Agreement shall have the particular meanings set forth below.

2.1 GENERAL DEFINITIONS

- 2.1.1 “Additional Services”** – shall mean the Services other than those required to be provided pursuant to the Statement of Work.
- 2.1.2 “Agreement”** – shall mean and refer to this agreement executed between County and Contractor setting forth the terms and conditions for Contractor’s performance and provision of Services as specified herein, including Exhibit B (Statement of Work).
- 2.1.3 “Board”** – shall mean County’s Board of Supervisors.
- 2.1.4 “DHS”; “Department”** – County’s Department of Health Services.
- 2.1.5 “Director”** – shall mean the Director of DHS or authorized designee.
- 2.1.6 “Fiscal Year”** – shall mean a twelve-month period beginning on July 1st and ending on June 30th of the following year.
- 2.1.7 “Pricing Schedule”** – shall mean a schedule of rates, fees and any other terms and conditions for provision of Services under the Agreement set forth in Exhibit C (Pricing Schedule) to the Agreement.
- 2.1.8 “Required Services”** – shall mean the Services described in the Statement of Work that are required to be provided by Contractor under the Agreement.
- 2.1.9 “Service Fees”** – shall mean rates and fees for provision of Services under the Agreement.
- 2.1.10 “Service Site”** – shall mean and refer to any one of County’s healthcare facilities or other sites for which Services may be provided under the Agreement, including those that may be specified in Exhibit B (Statement of Work) and any or all of those identified in <https://dhs.lacounty.gov/our-locations>, such as Medical Centers and any associated Comprehensive Health Centers, Outpatient Centers and health centers, as well as administrative offices.

- 2.1.11** “**Service Site Project Manager**; “**Service Site PM**” – shall mean and refer to any individual designated by County's Project Manager for a Service Site, as such may be identified in Exhibit E (County's Administration) to the Agreement.
- 2.1.12** “**Services**” – shall mean goods, services and any other work that may be provided by Contractor pursuant to this Agreement, including Exhibit B (Statement of Work).
- 2.1.13** “**Statement of Work**”; “**SOW**” – shall mean Contractor's obligations and other requirements for provisions of Services hereunder as set forth in Exhibit B (Statement of Work) to the Agreement, including any sub-Exhibit(s) and Attachment(s) thereto.

3.0 WORK

3.1 PERFORMANCE OF SERVICES

Pursuant to the provisions of this Agreement, Contractor shall fully perform, complete and deliver on time all tasks, deliverables and other Services as set forth herein, including Exhibit B (Statement of Work), at the rates and fees set forth in Exhibit C (Pricing Schedule).

3.2 GRATUITOUS EFFORT

If Contractor provides any tasks, deliverables, services or other work to County other than those Services specified in this Agreement or that exceed the maximum County obligation that may be allocated for such Services, such tasks, deliverables, services or other work shall be deemed a gratuitous effort on the part of Contractor, for which Contractor shall have no claim whatsoever against County.

4.0 TERM OF AGREEMENT

4.1 TERM

The term of the Agreement shall commence on the Effective Date as reflected on the top of Page 1 of this Base Agreement, following its execution by the parties, and shall continue in full force and effect for five (5) years (hereinafter "Initial Term"), with up to three (3) one-year extension options (hereinafter each "Extension Term"), unless extended or sooner terminated, in whole or in part, as provided herein.

4.2 PERFORMANCE HISTORY

County maintains databases that track/monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a term extension option.

4.3 EXPIRATION NOTIFICATION

Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the DHS contact(s) identified in Exhibit E (County's Administration).

5.0 PAYMENTS AND INVOICING

5.1 PRICING AND PAYMENTS

5.1.1 Written Approval for Reimbursement

Contractor shall be paid under this Agreement only for the Services satisfactorily performed at the rates and fees specified in Exhibit C (Pricing Schedule). Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder. Assumption or takeover of any of Contractor's duties, responsibilities or obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with County's express prior written approval.

5.1.2 Third Party Reimbursement

Unless and to the extent otherwise expressly permitted in the Agreement, (i) Contractor shall not bill any patient or any payor for Services provided hereunder; (ii) shall consider payment by County to be payment in full for such Services; and (iii) shall assign to County rights to payment by any patient or third party payor, including Medicare and Medi-Cal, for any Services rendered pursuant to this Agreement.

5.1.3 The Agreement rates and fees ("Service Fees") shall not exceed those specified in the Pricing Schedule for each year of the Initial Term of the Agreement. Contractor may request an increase in the Service Fees for the Extension Term. Upon such request, the parties will mutually agree on an adjustment to the Service Fees pursuant to an amendment or other appropriate Agreement modification as authorized by the Board.

5.2 INVOICING

5.2.1 Submission of Invoices

Contractor's invoices for Services shall be priced and submitted in accordance with Exhibit C (Pricing Schedule) and shall contain, at a minimum, as applicable, description of the Services for which payment is claimed (tasks, deliverables, goods, services, etc.), hours worked and the Service Site(s) for which Services were provided. All invoices and supporting documentation shall be submitted to the person(s) designated in Exhibit E (County's Administration) by the 15th calendar day of the month following provision of the Services, unless otherwise stated in Exhibit C (Pricing Schedule) or required by law or County policy.

5.2.2 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of County's Project Manager, or authorized designee, for Services for which payment is claimed prior to any payment thereof. In

no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.2.3 Payment of Invoices

Provided that Contractor is not in breach of any provision of this Agreement, and it is not otherwise required by law or specified elsewhere in the Agreement, including Exhibit C (Pricing Schedule), County will pay properly submitted undisputed invoices within thirty (30) days of receipt by County. County's failure to pay within thirty (30) days or other appropriate period, however, shall not be deemed as automatic invoice approval or acceptance by County of any deliverable for which payment is sought, nor shall it entitle Contractor to impose an interest or penalty in any form on any late payment.

5.3 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

5.4 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.4.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with County shall be Electronic Funds Transfer (hereinafter "EFT") or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (hereinafter "A-C").

5.4.2 Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and shall comply with all accounting, record keeping, and tax reporting requirements.

5.4.3 Any provision of law, grant or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.4.4 At any time during the duration of this Agreement, Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with

the contracting department(s), shall decide whether to approve exemption requests.

5.5 PREFERENCE PROGRAM ENTERPRISES – PROMPT PAYMENT PROGRAM

If certified in accordance with the applicable Chapter of the Los Angeles County Code as a Local Small Business Enterprise (hereinafter "LSBE"), a Social Enterprise (hereinafter "SE") or a Disabled Veterans Business Enterprise (hereinafter "DVBE") (hereinafter, each also a "Preference Program Enterprise" or "PPE"), Contractor will receive prompt payment for Services provided to County under the Agreement. Prompt payment is defined as fifteen (15) calendar days after receipt by County of a proper undisputed invoice, which has been validated against appropriate documentation, consistent with Board Policy 3.035 ([Preference Program Payment Liaison and Prompt Payment Program](#)).

6.0 ADMINISTRATION OF AGREEMENT – COUNTY

The Director, or authorized designee, shall have the authority to administer this Agreement on behalf of County and retains professional and administrative responsibility for the Services rendered under this Agreement. Other key County personnel administering the Agreement on behalf of County are referenced in the Paragraph(s) below and identified in Exhibit E (County's Administration). The key County personnel identified herein are not authorized to make changes to any of the terms or conditions of this Agreement or to further obligate County in any respect whatsoever, unless and except as may be authorized by the Board and in accordance with the terms of the Agreement, including Paragraph 8.1 (Amendments and Modifications). County will notify Contractor in writing of changes in the names or contact information specified in Exhibit E (County's Administration).

6.1 COUNTY'S PROJECT DIRECTOR

County's Project Director has the authority to negotiate and recommend all changes to this Agreement and to resolve disputes between County and Contractor.

6.2 COUNTY'S PROJECT MANAGER

County's Project Manager is County's chief contact person with respect to the day-to-day administration of this Agreement, who will be responsible for:

- Monitoring Contractor's performance of the Agreement.
- Examining the quality of any and all tasks, deliverables, goods, services and other work provided by Contractor hereunder.
- Providing direction to Contractor in the areas relating to policy, information and procedural requirements.

County's Project Manager may have a designee at any Service Site, who will be a Service Site PM for that Service Site. Unless specified otherwise, reference to County's Project Manager shall include a designee for the applicable Service Site. County's Project Manager designated for each Service Site will be the approving authority for invoices for such Service Site.

7.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

Contractor shall designate the personnel referenced in the Paragraph(s) below and identified in Exhibit F (Contractor's Administration) for administering the Agreement on behalf of Contractor. Contractor shall notify County in writing of any change in the name or contact information of any such personnel within five (5) business days of the change.

7.1 CONTRACTOR'S PROJECT DIRECTOR

Unless the Agreement is with a sole practitioner for provision of Specialty Medical Services (hereinafter "SMS") or otherwise instructed in writing by authorized County personnel, Contractor shall designate Contractor's Project Director for the term of the Agreement. Contractor's Project Director shall be responsible for Contractor's performance of and compliance with this Agreement. Contractor's Project Director shall coordinate and/or meet with County as required by County for performance of this Agreement.

7.2 CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials for executing instruments under this Agreement on behalf of Contractor.

7.3 APPROVAL OF CONTRACTOR'S STAFF

County has the absolute right to approve or disapprove all of Contractor's staff performing Services under this Agreement, and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Director, if any.

7.4 CONFIDENTIALITY

7.4.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.4.2 Furthermore, Contractor shall: (i) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (ii) promptly transmit to County all requests for disclosure of any such records or information; (iii) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the information is releasable; and (iv) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information in accordance with the written procedures that may be provided or made available to Contractor by County for this purpose.

7.4.3 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and

volunteers, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.4, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

7.4.4 Contractor shall inform all of its officers, employees, agents and subcontractors providing that may provide Services under this Agreement of the confidentiality and indemnification provisions of this Agreement.

7.4.5 Contractor shall sign and adhere to the provisions of Exhibit D (Acknowledgement and Confidentiality Agreement) on behalf of itself and all of its employees, subcontractors, agents and other persons who may provide work for or on behalf of Contractor under the Agreement.

7.5 STAFF PERFORMANCE UNDER THE INFLUENCE

Contractor shall not knowingly permit any employee to perform Services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic or other substance which might impair physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS AND MODIFICATIONS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes to any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph below.

8.1.1 For any change which materially affects any term or condition of this Agreement, an Amendment to the Agreement, shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.1.2 For any change that does not materially affect any term or condition of this Agreement, a modification to the Agreement (Administrative Amendment, Change Notice, Change Order, etc.) shall be prepared by County and signed by Contractor.

8.1.3 The Board or County's Chief Executive Officer (hereinafter "CEO"), or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement. County reserves the right to add and/or change such provisions as required by the Board, the CEO, or authorized designee. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

- 8.1.4** The Director, or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in Federal and/or State law or regulation. County reserves the right to add and/or change such provisions as required by law or regulation to preserve this Agreement's conformity and compliance to Federal and/or State law or regulation. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1** Contractor shall notify County of any pending acquisitions/mergers of its entity unless otherwise legally prohibited from doing so. If Contractor is restricted from legally notifying County of pending acquisitions/mergers, then it should notify County of the actual acquisitions/mergers as soon as the law allows and provide to County the legal framework that restricted it from notifying County prior to the actual acquisitions/mergers.
- 8.2.2** 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 the 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.
- 8.2.3** Any assumption, assignment, delegation or takeover of any of Contractor's duties, responsibilities or obligations or performance of same by any entity other than 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 the 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.

8.3 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.

8.4 BUDGET REDUCTIONS

In the event that County's Board adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County

employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by Contractor under this Agreement will also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor must continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

Contractor hereby acknowledges that 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, other principals, employees or independent contractors 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 owners, officers, partners, directors, other principals, employees or independent contractors 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 the aforementioned parties either be suspended, debarred, ineligible or excluded from securing Federally funded contracts. Contractor shall reimburse County for any and all associated costs (repayment, fine and/or penalty) that may be incurred by County as a result of inappropriate claims submitted by or on behalf of one of its staff or vendors that was excluded or suspended regardless of Contractor's prior knowledge of such exclusion or suspension. Failure by Contractor to comply with this provision shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

8.6 COMPLAINTS

Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

- 8.6.1** Within ten (10) business days of the Effective Date of this Agreement, Contractor shall provide to County with Contractor's policy for receiving, investigating and responding to user complaints.
- 8.6.2** County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
- 8.6.3** If County requests changes to Contractor's policy, then Contractor shall make such changes and resubmit the plan within ten (10) business days to County for approval.

- 8.6.4** If, at any time, Contractor wishes to change its policy regarding complaints, Contractor shall submit proposed changes to County for approval prior to implementing the changes.
- 8.6.5** Contractor shall preliminarily investigate all complaints and notify County's Project Manager, or authorized designee, of the status of the investigation within fifteen (15) business days of receiving the complaint.
- 8.6.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted, which shall adhere to formal plans for specific actions and strict time deadlines.
- 8.6.7** Copies of all written responses shall be sent to County's Project Manager, or authorized designee, within fifteen (15) business days of being mailed to the complainant.

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

- 8.7.1** In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to, standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.
- 8.7.2** Contractor shall indemnify, defend, and hold harmless County, its officers, employees, agents and volunteers from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, its officers, employees, agents or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies or procedures, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.7.3 Facility Rules and Regulations

At any time that Contractor's agents, employees or subcontractors are at a Service Site or other County facility for provision of Services under this Agreement, Contractor and such persons shall be subject to the rules and regulations of that facility. County will provide or make available to Contractor a copy of rules and regulations pertaining to the facility upon execution of this Agreement and updates during its term. It is the responsibility of Contractor to acquaint all persons who may provide Services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from the provision of Services hereunder upon receipt of written notice from the Director that: (i) such employee or subcontractor has violated such rules or regulations, or (ii) such

employee's or subcontractor's actions while at the County facility may adversely affect the delivery of health care services to County patients.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS – ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.

8.8.2 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations

8.8.3 Contractor certifies to County each of the following:

- a)** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- b)** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- c)** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- d)** Where problem areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables.

8.8.4 Contractor shall take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such actions shall include, but are not limited to, employment, upgrading, demotion, transfer, recruitment and recruitment advertising, layoff and termination,

rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.8.5** Contractor certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation.
- 8.8.6** Contractor certifies and agrees that it, its affiliates, subsidiaries and holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.
- 8.8.7** Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.7 when so requested by County.
- 8.8.8** If County finds that any provisions of this Paragraph 8.7 have been violated, such violation shall constitute a material breach of this Agreement, upon which County may terminate or suspend this Agreement. While 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 Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 8.8.9** The parties agree that in the event that Contractor violates any of the anti-discrimination provisions of this Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) from Contractor for each such violation, pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating or suspending this Agreement.

8.9 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereinafter "Jury Service Program"), as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

8.9.2 Written Employee Jury Service Policy

- a) Unless Contractor has demonstrated to 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 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 Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.
- b) For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with 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 contracts 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: (i) the lesser number is a recognized industry standard as determined by County, or (ii) 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 a subcontractor to perform Services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to such agreement.
- c) 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 Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to 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.

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

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with 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 other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the performance of work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such work or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

8.10.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that 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, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph 8.9 shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR ON A COUNTY RE-EMPLOYMENT 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 re-employment list during the term of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/ START PARTICIPANTS

8.12.1 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 County's Department of Public Social Services (hereinafter "DPSS") Greater Avenues for Independence (hereinafter "GAIN") Program or Skills and Training to Achieve Readiness for Tomorrow (hereinafter "START") Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/START participants by job category to Contractor. Contractor shall report all job openings with job requirements to: gainstart@dpss.lacounty.gov and

bservices@opportunity.lacounty.gov; and DPSS will refer qualified GAIN/START job candidates.

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

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

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

8.13.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

8.13.3 Non-responsible Contractor

County may debar Contractor if County's Board of Supervisors (hereinafter "Board") finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity or a nonprofit corporation created by 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 County or any other public entity.

8.13.4 Contractor Hearing Board

- a) If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- b) The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or 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 Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

- c) 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 Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- d) If 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. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (i) elimination of the grounds for which the debarment was imposed; (ii) a bona fide change in ownership or management; (iii) material evidence discovered after debarment was imposed; or (iv) any other reason that is in the best interests of County.
- e) The Contractor Hearing Board will consider a request for review of a debarment determination only where (a) Contractor has been debarred for a period longer than five (5) years; (b) the debarment has been in effect for at least five (5) years; and (c) 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.
- f) 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. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of Contractor.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.15 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.15.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts 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.

8.15.2 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 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding 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).

8.16 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.16.1 Contractor hereby warrants that neither it nor any of its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify the Director within ten (10) calendar days in writing of: (i) any event that would require Contractor or any aforementioned parties mandatory exclusion or suspension from participation in a Federally funded health care program; and (ii) any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

- 8.16.2** Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.
- 8.16.3** Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8.17 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will monitor Contractor's performance under this Agreement, which will include assessing Contractor's compliance with all Agreement terms and conditions and performance standards, as further specified in Exhibit B (Statement of Work). Contractor deficiencies which 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 and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by 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 the Agreement.

8.18 DAMAGE TO COUNTY FACILITIES, BUILDINGS AND GROUNDS

- 8.18.1** Contractor shall repair, or cause to be repaired, at its own cost and expense, any and all damage other than normal wear and tear to County facilities, buildings or grounds caused by Contractor or employees, agents or subcontractors of Contractor during performance of Services under this Agreement. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 8.18.2** If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.
- 8.18.3** County reserves the unilateral right to make any repairs which the Director or authorized designee determines, upon sole discretion, to be a public safety issue requiring immediate repair. County, at its option, will bill Contractor for the cost of such repairs and/or deduct the cost of such repairs from any outstanding amounts owed by County to Contractor.

8.19 EMPLOYMENT ELIGIBILITY VERIFICATION

- 8.19.1** Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet

the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain from all employees performing work hereunder all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

- 8.19.2** Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, employees and volunteers from employer sanctions and any other liability which may be assessed against Contractor or County, or both, in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.20 COUNTERPARTS; ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Agreement and any Amendments or modifications thereto may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

County and Contractor hereby agree to regard appropriate facsimile or digital representations of original signatures of authorized officers of each party on the Agreement related documents, received via an electronic communicative (facsimile, email or electronic signature), as legally sufficient evidence that legally binding signatures have been affixed to such documents.

8.21 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 and its agents, officers, employees and volunteers 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 work performed by Contractor's employees, for which County may be found jointly or solely liable, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.22 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of Services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorized representatives, the agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of Services provided 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 twelve (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.

8.23 PERFORMANCE DURING EMERGENCIES/FORCE MAJEURE EVENTS

Contractor recognizes that healthcare facilities maintained by County, including the Service Sites, provide care essential to the residents of the communities they serve and that these Service Sites may be of particular importance at the time of a fire, flood, epidemic, quarantine restriction, riot, insurrection, civil unrest, natural disaster/occurrence, strike, lockout, freight embargo or other similar event (hereinafter in this Paragraph each such event is referred to as an "emergency" or "force majeure event").

Notwithstanding any other provision of this Agreement, full performance by Contractor during any emergency is not excused if such performance remains physically possible, unless otherwise directed by County. Failure by Contractor to comply with this requirement shall be considered a material breach by Contractor, for which County may immediately terminate this Agreement.

In the event Contractor's failure to perform arises as a result of an emergency, 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 delays caused by such emergency/force majeure event.

8.24 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 Los Angeles County.

8.25 PROTECTION OF MEDICAL INFORMATION

8.25.1 Health Insurance Portability and Accountability Act Compliance

Contractor acknowledges the existence of the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA") and its implementing regulations. Contractor further acknowledges and agrees that, as a provider of Services under this Agreement, it has obligations with respect to the confidentiality, privacy and security of patient' medical information (also, "PHI" under HIPAA) and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

Contractor, therefore, agrees that (a) it and any staff providing Services under this Agreement shall preserve the confidentiality of PHI and shall comply with all other obligations and provisions relating to HIPAA that may be specified herein, including Exhibit A (Additional Provisions) to the Agreement, and (b) it shall indemnify and hold harmless County

(including its officers, employees, agents and volunteers) for any damages to County that may be attributable to failure to preserve the confidentiality of PHI or to comply with the applicable obligations under HIPAA, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.25.2 Confidentiality of Medical Information Act

Contractor acknowledges that County is subject to the Confidentiality of Medical Information Act (hereinafter "CMIA"), which protects the confidentiality of individually identifiable medical information obtained by health care providers. As a contractor of County, Contractor, therefore, agrees to comply with the CMIA and shall not disclose any stored or accessible medical information regarding a patient, enrollee or subscriber.

8.25.3 Remedies

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.25 shall constitute a material breach of this Agreement, upon which County may suspend or terminate the Agreement for default, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 25 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

8.26 INDEPENDENT CONTRACTOR STATUS

8.26.1 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.

8.26.2 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. Consistent with the foregoing, County shall have no liability, and Contractor shall be solely and fully liable and responsible, to any of Contractor's employees, subcontractors or other persons providing work under this Agreement on behalf of Contractor, if any such person is unable to work or is required to stop working

(permanently or temporarily) as a result of the person's exposure to an infectious disease or other hazard while performing work pursuant to the Agreement, even if such person complied with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including those relating to the work site. Nothing in this Paragraph is intended in any way to alter or release Contractor from obligation to obtain and maintain the requisite workers' compensation coverage pursuant to Paragraph 8.29.3 (Workers' Compensation and Employers' Liability) below.

8.26.3 Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely 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 work performed by or on behalf of Contractor pursuant to this Agreement.

8.26.4 Contractor shall adhere to the provisions of Paragraph 7.5 (Confidentiality).

8.27 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers (hereinafter "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 Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under the Agreement shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its reasonable judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

8.28 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, during the term of the Agreement, coverage satisfying the requirements specified in this Paragraph 8.28 and Paragraph 8.29 (Insurance Coverage) below. These minimum insurance coverage terms, types and limits (hereinafter "Required Insurance") also are in addition to and separate from any other contractual obligations imposed

upon Contractor pursuant to this Agreement, including those that may be specified in Exhibit A (Additional Provisions) to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Agreement.

8.28.1 Evidence of Coverage and Notice to County

- a) Certificate(s) of insurance coverage (hereinafter "Certificate") satisfactory to County and a copy of an Additional Insured endorsement confirming County and its Agents (as defined below) has been given Insured status under Contractor's General Liability policy shall be delivered to County at the email address specified 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. 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 must match the name of 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 County's failure to obtain, nor 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 Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- e) Certificates and copies of any required endorsements shall be emailed to the County of Los Angeles, Department of Health Services, Contracts and Grants Division, as the Certificate Holder at:

cgcontractorinsurance@dhs.lacounty.gov
- f) 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 subcontractors which arises from or relates to this Agreement and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.28.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (hereinafter 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 County. County's and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed 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.

8.28.3 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 ten (10) days in advance of cancellation for non-payment of premium and thirty (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 this Agreement, in the sole discretion of County, upon which County may suspend or terminate this Agreement.

8.28.4 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 this Agreement, upon which County immediately may withhold payments due to Contractor and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, 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.

8.28.5 Insurer Financial Ratings

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

8.28.6 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.

8.28.7 Waivers of Subrogation

To the fullest extent permitted by law, 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. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.28.8 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 that each subcontractor complies with the Required Insurance provisions herein and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and written approval of any subcontractor request for modification of the Required Insurance.

8.28.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects 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.

8.28.10 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 no less than three (3) years following the Agreement's expiration, termination or cancellation.

8.28.11 Application of Excess Liability Coverage

Contractor 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.

8.28.12 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.

8.28.13 Alternative Risk Financing Programs

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. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.28.14 County Review and Approval of Insurance Requirements

County reserves the right to review and adjust the Required Insurance provisions based on County's determination of changes in risk exposures.

8.29 INSURANCE COVERAGE

Contractor shall obtain and maintain for the term of the Agreement the insurance programs and coverages as specified in this Paragraph below.

8.29.1 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:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.29.2 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.

8.29.3 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 County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (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.

8.30 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees and agents that perform Services under this Agreement obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations and certificates required by law, which are applicable to their performance of Services hereunder. All such licenses, permits, registrations, accreditations and certifications relating to Services hereunder shall be made available by Contractor to County upon request, unless stated otherwise in the Statement of Work or instructed by County.

8.31 LIQUIDATED DAMAGES

8.31.1 If, in the judgment of the Director, or authorized designee, Contractor is deemed to be non-compliant with the terms or obligations assumed hereby, the Director, or authorized designee, upon sole discretion, in addition to and/or in lieu of other remedies provided herein, may withhold or deduct from the payments due to Contractor by County or otherwise withhold certain amount(s) for deficiently performed Services, including delays, as specified in this Paragraph below. A description of the deficiencies and the amount(s) to be deducted from payments due to Contractor or otherwise withheld will be provided to Contractor by the Director, or authorized designee, in a written notice describing the reasons for such action.

8.31.2 If the Director, or authorized designee, determines that there are deficiencies in the performance of this Agreement, which in the judgment of the Director, or authorized designee, are deemed correctable by Contractor within a reasonably short period of time, the Director, or authorized designee, will provide a written notice to Contractor to correct the deficiencies within a specified time frame. Should Contractor fail to correct deficiencies within such time frame, the Director may:

a) To the extent applicable, deduct applicable pro rata portions of the amounts payable to Contractor; and/or

b) Deduct Liquidated Damages

The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct the deficiencies within the specified time frame. The parties, therefore, hereby agree that, under the current circumstances, a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, and Contractor shall be liable to County for liquidated damages in such amount. Any liquidated damages assessed by County

under the Agreement shall be deducted or otherwise withheld from County's payments due to Contractor; and/or

- c) Upon five (5) days' prior notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and deduct from County's payments due to Contractor or otherwise withhold the total costs incurred by County for completion of the work by an alternate source, whether by County or a County engaged third party, as determined by County.

8.31.3 Assessment by County of liquidated damages as described in this Paragraph above shall not be construed as a penalty, but as adjustment of payment(s) to Contractor for County's recovery of the costs due to the failure of Contractor to complete or comply with the provisions of this Agreement.

8.31.4 This Paragraph shall not, in any manner, restrict or limit County's right to damages for any breach of this Agreement provided by law or as otherwise specified in the Agreement and shall not, in any manner, restrict or limit County's right to terminate this Agreement.

8.32 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline or Contractor provides at any time during the term of this Agreement the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality or district of the State at prices below those set forth in the Agreement, then such lower prices shall be immediately extended to County.

8.33 NON-EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.34 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.35 NOTICE OF DISPUTES

Contractor shall bring to the attention of County's Project Manager, or authorized designee, any dispute between County and Contractor regarding the performance of Services. If such individual is not able to resolve the dispute on behalf of County, the dispute shall be escalated for resolution to County's Project Director, or authorized designee.

8.36 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 No. 1015.

8.37 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

Contractor shall notify and provide to its employees and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County and where and how to safely surrender a baby. Posters and other campaign materials are available on the Internet at babysafela.org.

8.38 NOTICES

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be mailed by first-class registered or certified mail, postage prepaid, or emailed to the applicable contacts identified in Exhibit E (County's Administration) and Exhibit F (Contractor's Administration). Contact information may be changed by either party by provision of a ten (10) days' prior written notice thereof to the other party.

8.39 PROHIBITION AGAINST INDUCEMENT AND PERSUASION

Notwithstanding any other provision of this Agreement, Contractor and County agree that, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.40 PUBLIC RECORDS ACT

8.40.1 Any documents submitted by Contractor; all information obtained in connection with County's right to audit and inspect Contractor's documents, books and accounting records provided pursuant to Paragraph 8.42 (Record Retention and Inspection/Audit Settlement) of this Agreement; as well as any documents that may have been submitted in response to a solicitation resulting in this Agreement, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements identified in the [California Government Code Section 7921 et seq.](#) (hereinafter "Public Records Act") and which are marked "trade secret", "confidential" or "proprietary". 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.

8.40.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records and/or contents of any response to a solicitation resulting in this Agreement, which is marked as "trade secret", "confidential" or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or

liability arising under the Public Records Act, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.41 PUBLICITY

8.41.1 Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Agreement within the following conditions:

- a) Contractor shall develop all publicity material in a professional manner; and
- b) During the term of this Agreement, Contractor shall not, and shall not authorize any others to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the Director, or authorized designee. County will not unreasonably withhold its consent.

8.41.2 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 8.41 shall apply.

8.42 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.42.1 Contractor shall maintain and, upon County's request, provide accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement, during the term of the Agreement and for a minimum of five (5) years following its expiration or termination (hereinafter in this Paragraph 8.42 "retention period").

8.42.2 Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy and transcribe any pertinent transaction, activity or record relating to this Agreement, including (hereinafter for purposes of this Paragraph 8.42 "records"). All such records, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Agreement and for the duration of the retention period thereafter, unless County's written permission is given to dispose of any such records prior to such time. All such records shall be maintained by Contractor at a location in Los Angeles County, provided that if any such records are located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem and any other

costs incurred by County to examine, audit, excerpt, copy and/or transcribe such records at such location outside of Los Angeles County.

In the event such records are maintained by Contractor at a location outside of Los Angeles County or if permitted by County, Contractor may satisfy the requirements of this Paragraph 8.42.2 by transmitting the records to County electronically, provided that (i) Contractor shall encrypt all records transmitted on networks outside of Contractor's control with Transport Layer Security (hereinafter "TLS") 1.2 or higher or Internet Protocol Security (hereinafter "IPSec"), at a minimum, cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer, or authorized designee, and (ii) all such records shall be rendered unusable, unreadable and indecipherable to unauthorized individuals. The parties may also agree on an alternate method of providing the requested records to County.

- 8.42.3** In the event that an audit of Contractor is conducted specifically regarding this Agreement by any Federal or State auditor or by any auditor or accountant employed by Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then Contractor shall file a copy of each such audit report, including Service Organization Controls (hereinafter "SOC1") Reports, with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.42.4** Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.42 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.
- 8.42.5** If, at any time during the term of this Agreement or during the retention period after the expiration or termination of this Agreement, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference shall be either: (a) prepaid by Contractor to County by cash payment upon demand or (b) at the sole option of County's Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. If such audit finds that County's dollar liability for such work is more than the payments made by County to Contractor for the work, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's maximum obligation for the provision of such work exceed the funds appropriated by County for the work.

8.43 RECYCLED BOND PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.44 RESTRICTIONS ON LOBBYING

If any Federal funds are to be used to pay for 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 provided under this Agreement also fully complies with all such certification and disclosure requirements.

8.45 SUBCONTRACTING

8.45.1 County has relied, in entering into this Agreement, on the reputation of and on obtaining the personal performance of Contractor. Consequently, no performance by Contractor of this Agreement may be subcontracted **without the advance written approval of County**. Any attempt by Contractor to subcontract without the prior written consent of County may be deemed a material breach of this Agreement.

8.45.2 If Contractor desires to subcontract, Contractor shall provide to County the following:

- a) A detailed description of the work to be performed by the proposed subcontractor;
- b) A draft copy of the proposed subcontract, unless otherwise instructed by County; and
- c) Other pertinent information and/or certifications requested by County.

8.45.3 Notwithstanding any provision of this Agreement to the contrary, Contractor shall indemnify, defend and hold harmless County, including its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, defense costs and legal, accounting or other expert consulting or professional fees, in any way arising from or related to Contractor's use of any subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.45.4 Notwithstanding County's consent to subcontract, in addition to the provisions under the Agreement that specifically apply to subcontractors, Contractor shall ensure that each subcontractor engaged for provision of Services hereunder complies with the following provisions:

- a) Base Agreement – Paragraph 7.4 (Confidentiality)

- b) Base Agreement – Paragraph 8.6 (Compliance with Applicable Laws, Rules and Regulations)
- c) Base Agreement – Paragraph 8.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws)
- d) Base Agreement – Paragraph 9 (Conflict of Interest)
- e) Base Agreement – Paragraph 8.18 (Damage to County Facilities, Buildings and Grounds)
- f) Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- g) Base Agreement – Paragraph 27 (Indemnification)
- h) Base Agreement – Paragraph 28 (General Provisions for all Insurance Requirements)
- i) Base Agreement – Paragraph 29 (Insurance Coverage)
- j) Base Agreement – Paragraph 8.30 (Licenses, Permits, Registrations, Accreditations and Certificates)
- k) Base Agreement – Paragraph 41 (Publicity)
- l) Base Agreement – Paragraph 42 (Record Retention and Inspection/ Audit Settlement)
- m) Base Agreement – Paragraph 56 (Unlawful Solicitation)
- n) Base Agreement – Paragraph 63 (Prohibition from Participation in Future Solicitations)
- o) Exhibit A (Additional Provisions) – Attachment 1 (HIPAA Compliance)
- p) Exhibit D (Acknowledgement and Confidentiality Agreement)

8.45.5 Contractor shall ensure that each proposed subcontractor is appropriately qualified for provision of Services for which subcontractor is being engaged and shall remain fully responsible for all performances required of Contractor under this Agreement, including those that Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract. Furthermore, subcontracting of any Services under this Agreement shall not be construed to limit, in any way, Contractor's performance, obligations or responsibilities to County or limit, in any way, any of County's rights or remedies contained in this Agreement.

8.45.6 County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor is responsible to notify its subcontractors of this County right.

8.45.7 The Director, or designee, is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor

employees. After approval of the subcontract by County, Contractor shall forward a fully executed subcontract to County for its files.

8.45.8 Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents and successors in interest arising through Services performed hereunder, notwithstanding County's consent to subcontract.

8.45.9 Contractor shall obtain certificates of insurance, which establish that either (i) the proposed subcontractor maintains all the programs of insurance required under this Agreement, or (ii) Contractor has procured such insurance coverage for the proposed subcontractor. Before any subcontractor employee may perform any work hereunder, Contractor shall ensure delivery of all such documents to:

cgcontractorinsurance@dhs.lacounty.gov.

8.46 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 Paragraph 8.15 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which County may terminate this Agreement pursuant to Paragraph 8.49 (Termination for Default) and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.202](#).

8.47 TERMINATION FOR CONVENIENCE

County may terminate or suspend this Agreement, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination/suspension of work hereunder shall be effected by notice to Contractor specifying the extent to which performance of work is terminated/suspended and the date upon which such termination/suspension will become effective, which will be no less than ten (10) days after the notice is provided. Contractor shall be subject to the requirements of Paragraph 8.54 (Effect of Termination) in the event of County's termination and, to the extent applicable, suspension of this Agreement as provided herein.

8.48 TERMINATION FOR DEFAULT

8.48.1 County may, by written notice to Contractor, terminate the whole or any part of this Agreement if, in the judgment of the Director or designee:

- a) Contractor has materially breached this Agreement;
- b) Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service or other work required under this Agreement; or
- c) Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement or of any obligations of this Agreement and, in either case, fails to

demonstrate convincing progress toward a cure within five (5) working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure; or

- d) Contractor or any of its personnel providing Services under the Agreement (i) fail to comply with any directions or instructions by or on behalf of County issued pursuant to the Agreement or (ii) may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

8.48.2 In the event that County terminates this Agreement in whole or in part as provided in Paragraph 8.49.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Paragraph.

8.48.3 Except with respect to defaults of any subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Paragraph 8.49.2 if its failure to perform this Agreement arises out of a force majeure event (as defined in Paragraph 23 (Performance During Emergencies/Force Majeure Events)); but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor and if such default arises out of causes beyond the control of both Contractor and subcontractor and without the fault or negligence of either of them, then Contractor shall not be liable for any such excess costs 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 the required performance schedule. As used in this Paragraph 8.49.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.48.4 If, after County has given notice of termination under the provisions of this Paragraph 8.49, it is determined by County that Contractor was not in default under the provisions of this Paragraph 8.49 or that the default was excusable under the provisions of Paragraph 8.49.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.48 (Termination for Convenience).

8.48.5 The rights and remedies of County provided in this Paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.49 TERMINATION FOR IMPROPER CONSIDERATION

8.49.1 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 this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to Contractor's performance pursuant to 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.

8.49.2 Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made to the County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

8.50 TERMINATION FOR INSOLVENCY

8.50.1 County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

a) Insolvency of Contractor

Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (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;

b) The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;

c) The appointment of a Receiver or Trustee for Contractor; or

d) The execution by Contractor of a general assignment for the benefit of creditors.

8.50.2 The rights and remedies of County provided in this Paragraph 8.51 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR NON-ADHERENCE TO COUNTY LOBBYIST ORDINANCE

Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#), retained by Contractor, shall fully comply with County's Lobbyist Ordinance under [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, in its sole discretion, immediately terminate or suspend this Agreement.

8.52 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until the Board appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.53 EFFECT OF TERMINATION

8.53.1 In the event of termination of this Agreement as provided hereunder or upon the expiration of the Agreement, as applicable, and unless otherwise specified by County in writing:

- a) Contractor shall continue the performance of this Agreement to the extent not terminated;
- b) Contractor shall cease to perform the Services being terminated on the date and to the extent specified in such notice and provide to County all Services and/or deliverables completed and those in progress on a media reasonably requested by County, if applicable;
- c) Where such termination is not due to default or breach by Contractor, County will pay to Contractor all sums due for Services properly performed through the effective date of such expiration or termination;
- d) Contractor shall return to County any monies paid in advance by County, yet unearned by Contractor, including any prepaid fees, no later than thirty (30) days after the date of County's termination of this Agreement, whether for convenience or any default or breach hereunder; and
- e) Contractor shall promptly return to County any and all of County's confidential information that relates to the portion of the Agreement terminated by County on a media reasonably requested by County.

8.53.2 After receipt of a notice of termination and except as otherwise directed by County, Contractor shall immediately:

- a) Stop work under this Agreement, as identified in such notice;
- b) Transfer title and deliver to County all completed work and work in process; and
- c) Complete performance of such part of the work as shall not have been terminated by such notice.

8.53.3 Following expiration or any termination of this Agreement, Contractor shall maintain all material including books, records, documents and any

other evidence bearing on the costs and expenses of Contractor under this Agreement, in accordance with Paragraph 8.42 (Record Retention and Inspection/Audit Settlement).

- 8.53.4** Expiration or termination of this Agreement for any reason will not release either party from any liabilities or obligations set forth in this Agreement, which (i) the parties have expressly agreed in writing will survive any such expiration or termination, or (ii) which remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.54 INTENTIONALLY OMITTED

8.55 VALIDITY AND ENFORCEABILITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, unenforceable or illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, and any part of the Agreement held to be invalid or unenforceable shall be revised so as to make it valid and enforceable, consistent with the intent of the parties expressed in that provision. The rights and remedies provided herein shall not be exclusive and are in addition to any other rights and remedies in law or equity.

8.56 WAIVER

No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or 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 8.58 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.57 WARRANTY AGAINST CONTINGENT FEES

- 8.57.1** 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 a 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.

- 8.57.2** For breach of this warranty, County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the amounts due to Contractor or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

8.58 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 8.58.1** 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.

- 8.58.2** 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 Agreement will maintain compliance, with [Los Angeles Code Chapter 2.206](#).

8.59 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure by Contractor to maintain compliance with the requirements set forth in Paragraph 8.16 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.206](#).

8.60 TIME OFF FOR VOTING

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](#)). No less than ten (10) days before every statewide election, 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 such [Section 14000](#).

8.61 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

- 8.61.1** Contractor acknowledges that County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.
- 8.61.2** If Contractor or a member of Contractor's staff is convicted of a human trafficking offense, County shall require that Contractor or such member of Contractor's staff be removed immediately from performing services under this Agreement. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.
- 8.61.3** Disqualification of any member of Contractor's staff pursuant to this Paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.62 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

Contractor shall comply and ensure that all of its subcontractors comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Employment Discrimination: Conviction History. Contractor's violation of this Paragraph of the Agreement may constitute a material breach of

the Agreement, upon which County may, in its sole discretion, terminate this Agreement.

8.63 COMPLIANCE WITH COUNTY POLICY OF EQUITY

Contractor acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (hereinafter "CPOE") (<https://ceop.lacounty.gov/>). Contractor further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Contractor, on behalf of itself, its employees and subcontractors, acknowledges and certifies receipt and understanding of the CPOE. Failure by Contractor, its employees or its subcontractors to uphold County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Contractor to termination of contractual agreements as well as civil liability.

8.64 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATIONS

A bidder, proposer or other respondent to a County solicitation or Contractor, as applicable, or a subsidiary or subcontractor thereof (hereinafter for purposes of this provision "Vendor"), is prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has provided advice or consultation for the solicitation. A Vendor is also prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has developed or prepared any of the solicitation materials on behalf of County. A violation of this provision shall result in the disqualification of the Vendor from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration or other termination of this Agreement.

8.65 INJURY AND ILLNESS PREVENTION PROGRAM

Contractor will be required to comply with the State of California's Cal OSHA's regulations. [California Code of Regulations Title 8 Section 3203](#) requires all California employers to have a written, effective Injury and Illness Prevention Program (hereinafter "IIPP") that addresses hazards pertaining to the particular workplace covered by such program.

8.66 CAMPAIGN CONTRIBUTION PROHIBITION

Pursuant to California [Government Code Section 84308](#), Contractor and its agents and subcontractors are prohibited from making a contribution of more than \$250 to any County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement.

By executing this Agreement, Contractor represents and warrants that neither it nor any of its agents or subcontractors shall make a contribution of more than \$250 to any County officer for twelve (12) months following the Effective Date of the Agreement.

Failure to comply with the provisions of California [Government Code Section 84308](#) and of this Paragraph may be a material breach of the Agreement as determined in the sole discretion of County.

8.67 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

8.68 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 Contractor and other County contractors to complete Exhibit G (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect County and its taxpayers. Any contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either Agreement termination or debarment proceedings or both. (County Code Chapter 2.202).

8.69 INTELLECTUAL PROPERTY INDEMNIFICATION

8.69.1 Contractor shall indemnify, defend and hold harmless County from and against any and all liability, damages, costs, losses, fees and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and/or utilization of Contractor's Services under this Agreement, including any products of or tools or methodologies used in the provision of Services hereunder, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.69.2 In the event any product of or tool or methodology used in the provision of any Services hereunder becomes the subject of any complaint, claim or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined or subjected to a risk of damages, Contractor, at its sole cost and expense, and provided that County's continued use of Contractor's Services is not materially impeded, shall do one or any of the following:

- a)** Procure for County all rights to continued use of the questioned product, tool or methodology; or
- b)** Replace the questioned product, tool or methodology with a non-questioned item; or
- c)** Modify the questioned product, tool or methodology to render it free of claims.

8.70 SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the

following Paragraphs and Exhibits shall survive any termination or expiration of this Agreement:

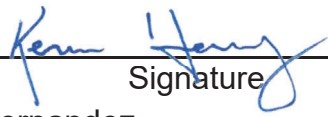
- Base Agreement – Paragraph 5.3 (No Payment for Services Provided Following Expiration/Termination of Agreement)
- Base Agreement – Paragraph 7.4 (Confidentiality)
- Base Agreement – Paragraph 8.7 (Compliance with Applicable Laws, Rules and Regulations)
- Base Agreement – Paragraph 8.24 (Governing Law, Jurisdiction and Venue)
- Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- Base Agreement – Paragraph 8.27 (Indemnification)
- Base Agreement – Paragraph 8.28 (General Provisions for All Insurance Coverage)
- Base Agreement – Paragraph 8.29 (Insurance Coverage)
- Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)
- Paragraph 8.46 (Termination For Breach Of Warranty To Maintain Compliance With County's Child Support Compliance Program)
- Paragraph 8.64 (Prohibition from Participation in Future Solicitations)
- Paragraph 8.70 (Survival)
- Exhibit A (Additional Provisions)
- Exhibit D (Acknowledgement and Confidentiality Agreement)

**AGREEMENT
FOR
SECURITY GUARD SERVICES**

IN WITNESS WHEREOF, Contractor has executed this Agreement or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

Inter-Con Security Systems, Inc.

By 
Signature
Kevin Hernandez

Printed Name
Chief Strategy Officer

Title

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

EDWARD YEN
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By 
PATRICE SALSEDA
Principal Deputy County Counsel

**LOS ANGELES COUNTY
DEPARTMENT OF HEALTH SERVICES**



SECURITY GUARD SERVICES

**EXHIBIT A
ADDITIONAL PROVISIONS**

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ATTACHMENTS

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Attachment 5	License and Proprietary Rights (intentionally Omitted)
Attachment 6	Payroll Statement of Compliance

EXHIBIT A

ADDITIONAL PROVISIONS

1. OVERVIEW

This Exhibit A (Additional Provisions) to the Agreement, including any attachments hereto (hereinafter also “Additional Provisions”), sets forth the terms and conditions for provision of Services pursuant to the Agreement. These Additional Provisions are in addition to the terms and conditions of the Base Agreement under the Agreement.

Unless otherwise specified herein, those terms and phrases with the initial letter capitalized that are not expressly defined herein shall have the meanings given to such in the Base Agreement under the Agreement.

2. INFORMATION PRIVACY AND SECURITY

2.1 COUNTY INFORMATION

By executing the Agreement, Contractor (on behalf of itself and any and all employees, agents and subcontractors) (i) acknowledges and agrees that it will not and may not store, maintain or access on or from non-County equipment/devices any County data or information for provision of Services under the Agreement, and (ii) certifies its compliance with the requirements of this Paragraph 2 prior to commencement of Services hereunder and for as long as Contractor or any of its employees, agents or subcontractors is in possession of any County data or information, including patient, personally identifiable and any other sensitive information (hereinafter “County Information”).

2.2 HIPAA OBLIGATIONS

Contractor acknowledges that County is subject the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (hereinafter “HIPAA”) and regulations promulgated thereunder, including the Privacy, Security, Breach Notification and Enforcement Rules at 45 Code of Federal Regulations (hereinafter “C.F.R.”) Parts 160 and 164 (hereinafter, collectively, “HIPAA Rules”). As a provider of Services for County, Contractor agrees to the applicable provisions relating to HIPAA as specified in Attachment 1 (HIPAA Compliance), attached hereto.

2.3 SECURITY AND PRIVACY INCIDENTS

In the event of a security or privacy Incident (as defined below), Contractor shall:

- Promptly notify the DHS Chief Information Security Officer, the DHS Information Security Officer and the DHS Chief Privacy Officer of any suspected, attempted, successful or imminent threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification or destruction (hereinafter “Incident”) of County Information within 24 hours of detection. All notifications shall be submitted via encrypted email and telephone to the following:
 - **DHS Chief Information Security Officer and DHS Chief Privacy Officer** – via DHS Enterprise Help Desk at helpdesk@dhs.lacounty.gov and by phone at (323) 409-8000
 - **DHS Chief Information Security Officer** – Jeff Zito at jzito@dhs.lacounty.gov
 - **DHS Chief Privacy Officer** – Jennifer Papp, RD, CHPC at jpapp@dhs.lacounty.gov

- **Departmental (DHS) Information Security Officer** – Vahe Haratounian at vharatounian@dhs.lacounty.gov
- Include the following information in all notices:
 - The date and time of discovery of the Incident;
 - The approximate date and time of the Incident;
 - A description of the type of County Information involved in the reported Incident;
 - A summary of the relevant facts, including a description of measures taken to respond to and remediate the Incident, and any planned corrective action(s) as they are identified; and
 - The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the Incident.
- Cooperate with County to investigate the Incident and seek to identify the specific County Information involved in the Incident as requested by County, without charge, unless the Incident was caused by the acts or omissions of County. As information about the Incident is collected or otherwise becomes available to Contractor, and unless prohibited by law, Contractor shall provide information regarding the nature and consequences of the Incident that are reasonably requested by County to allow County to notify impacted individuals, government agencies and/or credit bureaus.
- Assist and cooperate with forensic investigators, County, law firms and/or law enforcement agencies at the direction of County to help determine the nature, extent and source of any Incident and reasonably assist and cooperate with County on any additional disclosures that County is required to make as a result of the Incident.

Notwithstanding any other provisions in the Agreement, Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by Contractor's weaknesses, negligence, errors or lack of information security or privacy controls or provisions or otherwise failure to comply with any of the terms or conditions of this Paragraph 2.

2.4 DATA DESTRUCTION

Contractor that has maintained, processed or stored on non-County equipment/devices any County data and/or information, implied or expressed, has the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization, available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

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

Contractor must certify that any County data stored on purchased, leased or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers and/or workstations, are destroyed consistent with the current

National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was properly destroyed and is unusable, unreadable, and/or undecipherable.

2.5 EQUITABLE REMEDIES

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 2 shall constitute a material breach of the Agreement, upon which County may suspend or terminate for default the Agreement, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 2 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

2.6 PRIVACY AND SECURITY INDEMNIFICATION

Notwithstanding any provision of the Agreement to the contrary, whether expressly or by implication, Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, including its officers, employees, agents and subcontractors, to comply with (i) the provisions of this Paragraph 2 or (ii) any Federal and/or State laws in connection with accessing, collecting, processing, storing, disclosing or otherwise using any County Information.

Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 2 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

2.7 SURVIVAL

The provisions of this Paragraph 2 shall survive the expiration or termination of the Agreement.

3. INSURANCE REQUIREMENTS

The insurance coverage requirements set forth in Attachment 2 (Additional Insurance Requirements) to this Exhibit A supplement and/or replace those specified in the Base Agreement under the Agreement.

4. CONTRACTOR PERSONNEL

4.1 MEDICAL HEALTH SCREENING

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that all of Contractor's staff that may provide Services at any County healthcare facility or site (hereinafter, for purposes of this Paragraph, "healthcare

campus") pursuant to the Agreement, prior to commencement of such Services at a healthcare campus, shall have undergone and successfully passed a current health screening consistent with the DHS policy and the requirements of Attachment 3 (Medical Health Screening), attached hereto (hereinafter "Medical Health Screening"). The cost of Medical Health Screening shall be borne by Contractor.

4.2 INFECTION CONTROL

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that any of Contractor's staff entering any of County facilities or coming into contact with the public shall comply with and strictly adhere to the applicable County Infection Control and Employee Health Guidelines, provided or made available by County, to prevent the transmission of infections and to ensure prompt and appropriate treatment of Contractor's staff in the event of exposure. If any member of Contractor's staff is diagnosed with having an infectious disease, of which Contractor is made aware, and such person has had contact with a County patient or a member of the public during the usual incubation period for such infectious disease, then Contractor shall report such occurrence to County's Project Manager, or authorized designee for each site where Services were provided by such staff, within twenty-four (24) hours of becoming aware of the diagnosis. Notwithstanding the foregoing, Contractor shall not allow any member of Contractor's staff to come onto County premises if Contractor is aware that such person is diagnosed with having an infectious disease.

For purposes of the Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases (California Code of Regulations, Title 17).

4.3 BACKGROUND AND SECURITY INVESTIGATIONS

Unless otherwise instructed by County or specified in the Statement of Work, all Contractor personnel providing Services under the Agreement shall undergo and pass, to the satisfaction of County, a background investigation as a condition to beginning and continuing to provide any such Services. County will use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. County may elect to perform the background check.

County may request that Contractor's staff member be immediately prohibited from providing Services under the Agreement at any time during the term of the Agreement, if such staff member does not pass a background investigation to the satisfaction of County or whose background or conduct is incompatible with any Service Site access requirements. County will not provide to Contractor or to Contractor's staff any information obtained through County conducted background clearance.

County may also immediately, at its sole discretion, deny or terminate any Service Site access to Contractor's staff that do not pass such investigation(s) to the satisfaction of County or whose background or conduct is incompatible with such Service Site's access requirements.

Disqualification, if any, of Contractor's staff pursuant to this Paragraph 4.3 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of the Agreement.

The provisions of this Paragraph 4.3 shall also apply to subcontractors of Contractor.

4.4 CONTRACTOR'S STAFF IDENTIFICATION

Contractor and any of its staff that may be assigned to or may provide Services at any of County's facilities or other sites, including Services Sites, are required to have a County identification (hereinafter "ID") badge, which they shall wear or otherwise visibly display at all times while at such sites. Contractor shall bear all cost and expense of the badging. Contractor shall ensure that all staff have obtained a County ID badge before they are assigned to or may commence work at any County facility or other site. Contractor staff may be asked by a County representative to leave a County facility or other site if they do not have the proper County ID badge on their person.

- 4.4.1 Contractor shall notify County within one (1) business day when staff has terminated employment with Contractor or is otherwise terminated from working under this Agreement and shall return such staff's County ID badge to County on the next business day following the termination.
- 4.4.2 If County requests removal of Contractor's staff from working on this Agreement, Contractor shall retrieve and return such staff's County ID badge to County on the next business day following the removal.

5. PROPRIETARY CONSIDERATIONS

5.1 LICENSE

Contractor hereby grants to County, its authorized users and patients a license to use the Services, including any software, equipment, designs, plans, technologies and/or any other intellectual property that may be utilized for provision of Services and/or accessed by County or its patients, together with related documentation and other specifications (hereinafter "License"), as further specified in Attachment 5 (License and Proprietary Rights) attached hereto.

5.2 OWNERSHIP

All data provided by County, including its users and patients, is and shall remain the property of County and is subject to the data destruction and/or return requirements set forth in Attachment 4 (Information Security and Privacy Requirements) attached hereto or Paragraph 2 (Information Privacy and Security) above, as applicable.

Further, Contractor agrees that County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities and tools (hereinafter "materials") which are originated or created specifically for County through Contractor's work pursuant to the Agreement. Contractor, therefore, for valuable consideration herein provided, hereby assigns and transfers to County all of Contractor's right, title and interest in and to all such materials, provided that notwithstanding such County ownership, Contractor may retain possession of all working papers prepared by Contractor. Upon request of County, Contractor shall execute all documents and perform all other necessary acts to assign and transfer to and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights, which arise pursuant to Contractor's work under the Agreement.

6. INTENTIONALLY OMITTED

7. COMPLIANCE WITH COUNTY'S LIVING WAGE PROGRAM

7.1 LIVING WAGE PROGRAM

This Agreement is subject to the provisions of County's ordinance entitled "Living Wage Program" as codified in [Sections 2.201.010 through 2.201.100 of the Los Angeles County Code](#).

7.2 PAYMENT OF LIVING WAGE RATES

- 7.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not an "Employer" as defined under the Program ([Section 2.201.020 of the County Code](#)) or that Contractor qualifies for an exception to the Living Wage Program ([Section 2.201.090 of the County Code](#)), Contractor must pay its employees for the employees' services provided to County no less than (i) the applicable hourly living wage rate published by County (hereinafter "Living Wage Rate") or (ii) to the extent applicable, the applicable minimum wage rate for health care employees covered under SB 525 (hereinafter "SB 525 Wage Rate") as set forth in Paragraph 9 (Minimum Wage for Health Care Employees), whichever is greater, including, without limitation, "Travel Time" as defined below (hereinafter, for purposes of this Paragraph 7 "Minimum Wage Rate").
- 7.2.2 For purposes of this Paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor will be subject to the provisions of this Paragraph. The provisions of this Paragraph will be inserted into any such subcontract and a copy of the Living Wage Program must be attached to the subcontract. "Employee" means any individual, who is an employee of Contractor under the laws of California, and who is providing full-time or part-time services to Contractor, which are provided to County under the Agreement. "Full-time" means a minimum of forty (40) hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than thirty-five (35) hours worked per week will not, in any event, be considered full-time.
- 7.2.3 If Contractor is required to pay a living wage when the Agreement commences, Contractor must continue to pay a living wage for the entire term of the Agreement, including any option period(s).
- 7.2.4 If Contractor is not required to pay a living wage when the Agreement commences, Contractor will have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor must immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for the exception to the Living Wage Program. In either event, Contractor will immediately be required to commence paying the living wage and will be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for the exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor will immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.
- 7.2.5 For purposes of Contractor's obligation to pay its employees the applicable hourly living wage rate under this Agreement, "Travel Time" will have the following two meanings, as

applicable: (1) with respect to travel by an employee that is undertaken in connection with this Agreement, Travel Time will mean any period during which an employee physically travels to or from a County facility if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time; and (2) with respect to travel by an employee between County facilities that are subject to two different agreements between Contractor and County (of which both agreements are subject to the Living Wage Program), Travel Time will mean any period during which an employee physically travels to or from, or between such County facilities if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time.

7.3 CONTRACTOR'S SUBMITTAL OF CERTIFIED MONITORING REPORTS

Contractor must submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports must list all of Contractor's employees during the reporting period. The certified monitoring reports must also verify the number of hours worked and the hourly wage rate paid, for each of its employees. All certified monitoring reports must be submitted on the form(s) under Attachment 6 (Payroll Statement of Compliance) hereto or other County approved form(s) containing the information specified above. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor must promptly provide such information. Contractor, through one of its officers, must certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

7.4 CONTRACTOR'S ONGOING OBLIGATION TO REPORT LABOR LAW-PAYROLL VIOLATIONS AND CLAIMS

During the term of the Agreement, if Contractor becomes aware of any labor law-payroll violation or any complaint, investigation or proceeding (hereinafter "claim") concerning any alleged labor law-payroll violation (including, but not limited to, any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors and/or unlawful employment discrimination), Contractor must immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law-payroll violation or claim arising out of Contractor's Agreement with County, but instead applies to any labor law-payroll violation or claim arising out of any of Contractor's operations in California.

7.5 COUNTY AUDITING OF CONTRACTOR RECORDS

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at Contractor's place of business, any of Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County must have access to all such records during normal business hours for the entire period that records are to be maintained.

7.6 NOTIFICATIONS TO EMPLOYEES

Contractor must place County-provided living wage posters at each of Contractor's places of business and locations where Contractor's employees are working. Contractor must also distribute County-provided notices to each of its employees at least once per year.

Contractor must translate posters and handouts into Spanish and any other language spoken by a significant number of Contractor's employees.

7.7 ENFORCEMENT AND REMEDIES

If Contractor fails to comply with the requirements of this Paragraph, County will have the rights and remedies described in this Paragraph in addition to any rights and remedies provided by law or equity.

7.7.1 REMEDIES FOR SUBMISSION OF LATE OR INCOMPLETE CERTIFIED MONITORING REPORTS

If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding of Payment

If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of one hundred dollars (\$100) per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.2 REMEDIES FOR PAYMENT OF LESS THAN REQUIRED LIVING WAGE

If Contractor fails to pay any employee at least the applicable hourly living wage rate, such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding Payment

If Contractor fails to pay one or more of its employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its employees for a given pay period and the amount actually paid to the employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to pay any of its employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against Contractor liquidated damages of fifty dollars (\$50) per employee per day for each and every instance of an underpayment to an employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to pay any of its employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.3 DEBARMENT

In the event Contractor breaches a requirement of this Paragraph, County may, in its sole discretion, bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, in accordance with [Los Angeles County Code, Chapter 2.202](#), Determinations of Contractor Non-Responsibility and Contractor Debarment.

7.8 **USE OF FULL-TIME EMPLOYEES**

With the exception of Contingency Guards, Contractor shall assign and use full-time employees of Contractor to provide services under the Agreement, unless Contractor can demonstrate to the satisfaction of County that it is necessary to use staff that are not full-time employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. Contractor agrees not to, under any circumstance, assign or use for provision of services under the Agreement any staff that are not full-time employees of Contractor, unless and until County has provided written authorization for use of such staff. Contractor submitted with its proposal a full-time employee staffing plan. If Contractor changes its full-time employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

7.9 **CONTRACTOR RETALIATION PROHIBITED**

Contractor and/or its employees must not take any adverse action which would result in the loss of any benefit of employment, any contract benefit or any statutory benefit for any employee, person or entity who has reported Contractor's violation of the Living Wage

Program to County or to any other public or private agency, entity or person. Any violation of the provisions of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.10 CONTRACTOR STANDARDS

During the term of the Agreement, Contractor will maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested by County, Contractor shall demonstrate to the satisfaction of County that Contractor is compliant with this requirement.

7.11 EMPLOYEE RETENTION RIGHTS

7.11.1 Contractor must offer employment to all retention employees who are qualified for such jobs. For purposes of this Paragraph, a "retention employee" is an individual:

- a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
- b. Who has been employed by a contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the effective date of this Agreement, which predecessor contract was terminated by the County prior to its expiration; and
- c. Who is or will be terminated from their employment as a result of the County entering into this Agreement.

7.11.2 Contractor will not be required to hire a retention employee who:

- a. Has been convicted of a crime related to the job or his or her performance; or
- b. Fails to meet any other County requirement for employees of contractors.

7.11.3 Contractor will not terminate a retention employee for the first ninety (90) days of employment under the Agreement, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

7.12 NEUTRALITY IN LABOR RELATIONS

Contractor shall not use any consideration received under the Agreement to hinder or to further organization of or collective bargaining activities by or on behalf of Contractor's employees, except that this restriction will not apply to any expenditure made in the course of good faith collective bargaining, made pursuant to obligations incurred under a bona fide collective bargaining agreement or which would otherwise be permitted under the provisions of the National Labor Relations Act.

8. EQUITABLE ACCESS TO HEALTHCARE FOR CONTRACTED EMPLOYEES

On April 4, 2023, the Board passed the Equitable Access to Healthcare for Contracted Employees Motion (hereinafter "Motion") directing DHS, in collaboration with other County departments, to:

1. Develop and implement a policy mandating that all new Proposition A contracts for security, environmental, including janitorial, and food services for County hospitals managed by DHS, including those provided under the Agreement, require 100% employer-paid healthcare premiums for employees, who work 30 hours or more per week, at the minimum actuarial value of the Affordable Care Act (hereinafter "ACA")

individual gold plan coverage (hereinafter "Gold Plan"), with the implementation deadline of December 31, 2023; and

2. Require Labor Peace Agreements for all such Proposition A contracts.

8.1 EMPLOYER PAID HEALTHCARE PREMIUMS

Contractor hereby agrees to comply with the Motion during the term of the Agreement and to provide 100% employer-paid healthcare premiums for Contractor's employees, who work 30 hours or more per week and elect to accept the healthcare benefits offered by Contractor, at the minimum actuarial value of the ACA Gold Plan at no cost to the employees.

8.2 LABOR PEACE AGREEMENTS

- 8.2.1 Contractor shall implement and shall ensure that each subcontractor implement, prior to providing any Services under the Agreement, a Labor Peace Agreement, which shall be maintained for the term of the Agreement. As used herein, a "Labor Peace Agreement" is a written agreement between Contractor or any of its subcontractors and a labor organization representing their employees that contains a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppage, boycott or any other economic interference with the Services provided for County under the Agreement.
- 8.2.2 Contractor, therefore, represents and warrants that (i) it and each of its subcontractors that may provide Services under the Agreement shall execute prior to provision of Services and maintain during the term of the Agreement a Labor Peace Agreement with any labor organization representing or seeking to represent the employees of Contractor or any such subcontractor; (ii) it shall have submitted to County a copy of evidence of each such executed Labor Peace Agreement; and (iii) such Labor Peace Agreements shall prohibit during the term of the Agreement labor organizations and their members from engaging in picketing, work stoppages, boycotts or any other economic interference with the business of County, including County facilities and other Service Sites serviced under the Agreement.
- 8.2.3 Contractor acknowledges and agrees (i) that failure by Contractor or any of its subcontractors to enter into and maintain during the term of the Agreement a Labor Peace Agreement shall be deemed a material breach of the Agreement, entitling County to terminate the Agreement for default; and (ii) that it would be impracticable and extremely difficult to ascertain the actual damages resulting from such breach, also entitling the County to liquidated damages in accordance with the provisions of the Agreement in addition to any other rights and remedies otherwise available at law or in equity.
- 8.2.4 Notwithstanding any breach of a Labor Peace Agreement by a labor organization representing or seeking to represent the employees of Contractor or any subcontractor that may provide Services under the Agreement or by any of such labor organization's members, Contractor shall remain fully responsible for meeting the requirements of the Agreement, including supplying sufficient personnel for provision of Services thereunder.
- 8.2.5 The requirements of this provision apply to the extent the employees of Contractor and/or any of its subcontractors are represented by a labor organization as of the Effective Date or during the term of the Agreement.

9. MINIMUM WAGE FOR HEALTH CARE EMPLOYEES

The Services provided under this Agreement may be subject to the requirements of the California Senate Bill (hereinafter "SB") 525, as codified under California Labor Code Section 1182.14 et seq. and elsewhere under California law. To the extent SB 525 is applicable to Contractor and the Services provided hereunder, Contractor agrees to comply with the requirements of SB 525, as such may be amended, and, during the term of the Agreement, pay its employees, at a minimum, the applicable minimum SB 525 Wage Rate (defined above), including for provision of Services under the Agreement. If Contractor is also subject to the living wage requirements specified under Paragraph 7 (Compliance with County's Living Wage Program), if any, then the Minimum Wage Rate under such Paragraph 7 (Compliance with County's Living Wage Program) shall be the greater of the applicable Living Wage Rate (defined above) and the SB 525 Wage Rate, if applicable.

10. COMPLIANCE WITH COUNTY'S ADVANCING HIGH ROAD JOBS INITIATIVE

The County has established a "Advancing High Road Jobs" Initiative (link: [Advancing High Road Jobs by Harnessing the County's Procurement Power as a Market Participant Motion](#)) to create opportunities for full-time employment not just within the County but in the private sector. This Initiative is focused on hiring qualified employees, and providing high road jobs, from the County's High-Road Training Partnership ("H RTP") programs and other pre/apprenticeship and job training programs, including County pipeline programs like Preparing Los Angeles for County Employment ("PLACE") and the Delete the Divide Internship, that are part of a network of America's Job Centers of California ("AJCCs"), overseen by County's Department of Economic Opportunity ("DEO"), working together to help Los Angeles County residents succeed in the job market. They achieve this by providing education, training, career counseling, and support services funded through the Workforce Innovation and Opportunity Act ("WIOA"). WIOA focuses on assisting adults, dislocated workers, and youth in finding employment. The County's AJCCs play a key role by funding training programs and state certifications, equipping participants with the skills and qualifications needed to secure jobs. The County's AJCC information can be found at: [Los Angeles County Business Development Services, Business Resources](#).

- 10.1 In support of this initiative, throughout the Initial Term of the Agreement, County has established a 20% hiring goal to such qualified employees in County's AJCCs. Contractor must consider hiring such qualified employees for open opportunities as they become available.
- 10.2 To obtain the list of qualified security employees that are certified and trained by County in the AJCCs, Contractor will be provided direct access to the AJCC referral portal where County will refer qualified security employees to Contractor.
- 10.3 Within thirty (30) calendar days after the Effective Date of the Agreement, Contractor must provide to County its comprehensive annual hiring plan that outlines its commitment to achieve the 20% hiring goal throughout the Initial Term of the Agreement to such qualified employees in County's AJCCs.
- 10.4 Contractor must submit a semi-annual hiring report. The report must include, at a minimum, a description of the position(s) that was fulfilled, number of programs

participants hired, and program name. The semi-annual report must be submitted electronically to the designated County personnel.

ATTACHMENT 1
HIPAA COMPLIANCE

ATTACHMENT 1.3

INADVERTENT ACCESS

Contractor expressly acknowledges and agrees that the provision of Services under the Agreement does not require or permit access by Contractor or any of its officers, employees or agents to any patient medical records/patient information, including PHI as defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Accordingly, Contractor shall instruct its officers, employees and agents that they are not to pursue or gain access to patient medical records/patient information, including PHI, for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that in the course of the provision of Services hereunder, Contractor or its officers, employees or agents, may have inadvertent access to patient medical records/patient information, including PHI. Contractor understands and agrees that neither it, nor its officers, employees or agents are to take advantage of such access for any purpose whatsoever.

Additionally, in the event of such inadvertent access, Contractor and its officers, employees and agents shall maintain the confidentiality of any information obtained and shall, immediately or upon the first reasonable opportunity to do so, notify County's Project Manager or the equivalent identified in the Agreement that such access has been gained. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all liability, including but not limited to demands, claims, actions, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's or its officers', employees' or agents' access to patient medical records/patient information, including PHI. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

ATTACHMENT 2
ADDITIONAL INSURANCE REQUIREMENTS

ATTACHMENT 2.1

ADDITIONAL INSURANCE REQUIREMENTS

In addition to, and subject to, the requirements and any other provisions of the Agreement relating to insurance and/or in lieu of the insurance programs and coverages specified in the Base Agreement under the Agreement, Contractor shall provide and maintain for the term of the Agreement and thereafter, to the extent required herein, the insurance coverage(s) specified below. As used herein, the term "County and its Agents" shall mean and refer to the County of Los Angeles and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers. Contractor acknowledges and agrees that the coverages required hereunder shall not in any way limit the liability of Contractor.

1. SEXUAL MISCONDUCT LIABILITY COVERAGE

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, person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

ATTACHMENT 3

MEDICAL HEALTH SCREENING

All Contractor personnel that may provide services pursuant to the Agreement shall complete to the satisfaction of County a medical health screening to determine if the person meets the medical criteria and immunizations standards established for the prospective job classification/assignment before commencing any services under the Agreement. Contractor shall use the DHS forms and medical health screening methodology provided or requested by County.

The medical health screening shall be performed by a physician or other licensed healthcare professional ("PLHCP") authorized to perform such screening, with all costs and expenses of such to be borne by Contractor. County, at its sole option, may also elect to have some of the assessments and screening services of Contractor personnel to be provided by DHS Employee Health Services ("EHS"). Upon such election by County, Contractor personnel shall be required to present a written authorization from County prior to obtaining any screening services from DHS EHS. DHS, at its option, will charge Contractor for the costs of any such services provided by DHS EHS or deduct the costs from the amounts owed by County to Contractor for services provided by Contractor under the Agreement, regardless of whether Contractor personnel pass or fail the screening.

Each member of Contractor personnel shall provide DHS EHS with documentation of health screenings and evidence of the absence of communicable diseases using County's "Health Clearance E2" forms. The forms must be signed by a healthcare provider attesting that all information is true and accurate, OR, in the alternative, such member of Contractor personnel may supply all required source documents to DHS EHS for verification.

Contractor must provide DHS EHS with the source documents for each member of Contractor personnel for review within four (4) hours of a request. Failure to provide the appropriate source documentation of health screenings/clearance will result in immediate release of such member of Contractor personnel from assignment without reinstatement until the person is compliant. Contractor shall maintain all source documents pertaining to all Contractor personnel's pre-employment and annual health evaluation, Tuberculosis, Respiratory Fit Testing and other required immunizations including COVID-19 vaccinations.

DHS facility staff are required to ensure that each member of Contractor personnel (i) receives the appropriate documents; (ii) has submitted them to the applicable DHS facility EHS; and (iii) has obtained health clearance prior to beginning the work assignment under the Agreement.

No person shall be allowed to work at any time inside any DHS healthcare providing facility without appropriate documentation of health screening. Lack of evidence of immunity to certain diseases will restrict assignment locations within the DHS facilities.

All Contractor personnel who have potential exposure to respiratory hazards and/or aerosol transmissible disease shall provide appropriate documentation of a respiratory fit test on the same make, model, style and size as the respirator that will be used at the applicable DHS facility. If so instructed by County or the applicable DHS facility, this will be an annual mandatory requirement.

Per County policy, Contractor personnel are required to comply with annual health screening. Unless specified otherwise in the Agreement, Contractor personnel shall have their PLHCP conduct the assessment in accordance with County policy and procedures. This documentation is the "E2 Annual Health Clearance". Contractor personnel will be provided with the necessary

documentation for completion and submission to their PLHCP. The PLHCP will be required to complete the documents and submit them to Contractor, as appropriate, with the completed forms.

Contractor personnel will be given a 30-day reminder to comply with annual health screening requirements. A member of Contractor personnel who does not comply with annual or other health screening requirements may, at County's option, be given a letter indicating that such person has five (5) days to comply or be released from assignment. A copy of the "letter" will be provided to the supervisor/sponsor of such member of Contractor personnel for action. In any event, failure to provide documentation of health screening/clearance will result in immediate release from assignment without reinstatement until compliant.

Contractor personnel potentially exposed to occupational hazards will be provided emergency services within the allowable time frames, with the cost of such emergency services to be borne by Contractor, as appropriate. Contractor personnel who are exposed to occupational hazard or incur injury while performing services for County will be reported on the OSHA Log 300/301, as required by Federal and State regulation and guidelines.

In the event of an occupational needlestick injury or other exposure to Contractor personnel to blood and body fluids or airborne contaminants, medical care will be provided by the DHS EHS or the applicable facility's Emergency Room, with the cost of such medical care to be borne by Contractor, as appropriate. Contractor personnel may seek initial care for such injury or exposure from the facility EHS or DHS EHS within the allowable treatment time frames, with the cost of such care to be borne by Contractor, as appropriate. Subsequent follow-up treatments will be conducted through the appropriate agency's worker compensation medical provider, or individual's physician.

ATTACHMENT 4
INFORMATION SECURITY AND PRIVACY REQUIREMENTS
(INTENTIONALLY OMITTED)

ATTACHMENT 5
LICENSE AND PROPRIETARY RIGHTS
(INTENTIONALLY OMITTED)

ATTACHMENT 6
PAYROLL STATEMENT OF COMPLIANCE

I, _____ (Name of Owner or Company Representative), _____ (Title)

Do hereby state:

That (i) I pay or supervise the payment of the persons employed by (Contractor/Subcontractor) on the _____ (Agreement); (ii) during the payroll period commencing on the _____ (day) of _____ (Month and Year) and ending the 04-29-~~(day)~~ of Kevin ~~(Month and Year)~~, all persons employed on such Agreement have been paid the full weekly wages earned; (iii) no rebates have been or will be made, either directly or indirectly, to or on behalf of (Contractor/Subcontractor) from the full weekly wages earned by any person; (iv) no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and as may be described below:

_____;

(v) any payrolls otherwise under the Agreement required to be submitted for the above period are correct and complete; and (vi) the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the Agreement.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature:

Date:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT CONTRACTOR OR SUBCONTRACTOR TO CIVIL AND/OR CRIMINAL PROSECUTION. IN ADDITION, CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.

EXHIBIT B
STATEMENT OF WORK
FOR
SECURITY GUARD
SERVICES

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STATEMENT OF WORK FOR SECURITY GUARD SERVICES

The provisions herein below, including any Attachments hereto, set forth the scope of and requirements for Guard Security Services (also "Services") to be provided by Contractor pursuant to the Agreement with the County of Los Angeles ("County") that may be awarded as a result of Request for Proposals No. HS-1158 ("RFP") issued by County's Department of Health Services ("DHS" or "Department"). This base document included in Exhibit B (Statement of Work) to the RFP or Exhibit B (Statement of Work) to the Agreement, as applicable, together with any Attachments hereto, shall be referred to as a "Statement of Work" or "SOW".

1.0 BACKGROUND AND OVERVIEW

Currently, DHS is responsible for providing Security Guard Services for its administrative offices, hospitals, health centers and clinics. Contractor shall be required to provide Services for any or all of the Service Sites identified in Attachment 1 (Service Sites) to this SOW in accordance with the requirements of the Agreement, including the Statement of Work, in exchange for payment of the applicable Service Fees set forth in the Pricing Schedule.

2.0 DEFINITIONS

Unless defined herein, the terms and phrases used throughout the Statement of Work shall have the particular meanings given to such in the Base Agreement under the Agreement. The terms and phrases used throughout the Statement of Work, with the initial letter capitalized where applicable, shall have the particular meanings specified below in this Paragraph 2.0.

- 2.1 **"Additional Services"** – shall have meaning specified in Paragraph 6.1 (Additional Services) of this SOW.
- 2.2 **"Area"; "Service Area"** – shall mean the area designated for the Service Site(s) for which Services shall be provided under the Agreement.
- 2.3 **"Business Hours"** – shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time ("PT").
- 2.4 **"Contingency Guards"** – shall mean a 15% pool of available Guards not currently assigned to an existing Service Site, but onboarded by DHS and ready to be deployed to any Service Site in accordance with the provisions hereof, including Paragraph 5.2.2 (Contingency Guards).
- 2.5 **"Contract Discrepancy Report"; "CDR"** – shall mean a County issued report based on the form set forth in Attachment 2 (Contractor Discrepancy Report) to this SOW that will be used by County's Project Manager to record discrepancies and/or other problems with Contractor's compliance with the provisions of the Agreement, including the Statement of Work. A copy of the CDR will be provided to Contractor for response and corrective action as necessary.

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- 2.6 **“COOP”** – shall have meaning specified in Paragraph 5.5.1 (Contractor's Continuity of Operations Plan) of this SOW.
- 2.7 **“Coverage Plan”** – shall mean a document created by County that indicates the placement of Posts throughout the Service Sites(s). The coverage requirements for each Service Area are specified in the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW.
- 2.8 **“Daily Activity Report”; “DAR”** – shall mean a log based on Contractor's form used by Guards and Supervising Guards to record events throughout the day at their assigned Post.
- 2.9 **“Electronic Post Confirmation System”; “System”; “EPCS”** – shall mean an automated check-in system to be provided by Contractor in accordance with Paragraph 3.2.8 (Electronic Post Confirmation System).
- 2.10 **“Guard”** – shall refer to the job classification for Guard I, Guard II or Guard III.
- 2.11 **“Hourly Rate”** – shall have meaning specified in Paragraph 3.2.3.D (Reimbursement) of this SOW.
- 2.12 **“Matrix Report”** – shall mean a report based on Contractor's form with information relating to Contractor's staff's is compliance with personnel requirements in the Agreement, as further described in this SOW including Paragraph 5.4.4 (Matrix Report).
- 2.13 **“Monthly Inspection Report”; “MIR”** – shall mean a monthly report to be provided by Contractor documenting services provided, problems identified and corrective actions taken by Contractor, as further specified in Paragraph 5.4.1 (Monthly Inspection Report) of this SOW.
- 2.14 **“Open Post”** – shall refer to an assigned Post with no coverage, tracked in one-hour increments.
- 2.15 **“Performance Requirements Summary”; “PRS”** – shall mean a document that may be used by County for identifying critical performance indicators related to the Agreement, including the Statement of Work, which will be evaluated by County to determine whether Contractor meets the applicable performance standards.
- 2.16 **“Post”** – shall mean any physical location at a Service Site where Guards may be assigned to provide coverage.
- 2.17 **“Post Order(s)”** – shall mean County orders outlining duties, responsibilities and expectations of Guards and Supervising Guards at the Posts, including general Post Orders and Service Site specific Post Orders, as further described in Paragraph 5.1.2 (Post Orders) of this SOW.
- 2.18 **“Required Services”** – shall mean any Services that are required to be provided under the Agreement, including this Statement of Work.
- 2.19 **“Security Incident Report”; “SIR”** – a County form that must be completed by Contractor to report any significant security incidents, as further described in Paragraph 5.4.3 (Security Incident Reports) of this SOW.

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- 2.20 **“Security Manager”** – shall refer to the job classification for Security Manager.
- 2.21 **“Security Staff”** – shall mean and refer to any of the Guards, Supervising Guards and/or Security Managers providing Services under the Agreement.
- 2.22 **“Service Site(s)”** – any County owned, managed or authorized facility or other site identified in Attachment 1 (Service Sites) to this SOW.
- 2.23 **“Services”**; **“Security Services”** – shall mean any tasks, deliverables, goods, services and/or other work that may be provided by Contractor to County pursuant to the Agreement and this Statement of Work, including Security Guard Services.
- 2.24 **“Shift”** – predetermined number of hours identified by Contractor for provision of coverage for a Post.
- 2.25 **“Supervising Guard”** – shall refer to the job classification for Supervising Guard.
- 2.26 **“Vehicle Mileage Report”** – shall mean a Contractor provided report listing all vehicles used for provision of Services under this Agreement, which must include, at a minimum: vehicle description (make, model, year); license plate numbers; vehicle identification numbers; and mileage of each vehicle.

3.0 REQUIRED SERVICES

3.1 SERVICE SITES

The Service Sites approved for the provision of Services under the Agreement are identified in Attachment 1 (Service Sites) to this SOW. The list of Service Sites may be modified by an amendment or other appropriate modification to the Agreement in accordance with the provisions of the Agreement.

3.2 SCOPE OF SERVICES

Scope of Contractor's Services under the Agreement shall include the provision of Security Services by trained, professional, courteous, uniformed and equipped Guards to ensure each Service Site is safe, secured and monitored, as further described in this Paragraph 3.2 below.

3.2.1 GUARD POST COVERAGE

Contractor shall assign Guards at the Service Site(s) specified in Attachment 1 (Service Sites) to this SOW to meet County's needs, as specified below:

- A. Contractor shall determine the shifts needed to deploy Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.
 - 1. Contractor shall develop a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW, which shall specify the shifts and shall be made available to County upon request.

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2. The deployment roster shall be updated on an ongoing basis to reflect the most recent staffing plan.
- B. Any exceptions, modifications or changes to Post coverage must have prior written approval of County.
- C. In the event County increases Post coverage requirements, Contractor shall work with County to develop a plan for any additional Guard(s) needed for the expanded coverage, together with the shift(s). Changes to Post coverage shall be memorialized by a modification to the Agreement in accordance with Paragraph 6.2 (Changes to Scope).

3.2.2 POST ORDERS

Contractor shall ensure that all Guards, Supervising Guards and Security Managers receive a copy of and are knowledgeable with the general and Service Site specific Post Orders as specified in Paragraph 5.1.2 (Post Orders) of this SOW.

3.2.3 EMERGENCY SERVICES

A. Staff Availability

Contractor staff shall be available to provide Services during any emergency situation, which may include fire, flood, earthquake, civil disturbance, pandemic, epidemic and any other natural or manmade disasters ("Emergency Services").

B. Authorization

If County determines that an emergency situation has triggered the need for Contractor to provide Emergency Services, County will issue an authorization for reimbursing Contractor beyond the scheduled Post coverage for provision of Emergency Services. Any oral authorizations by County will be followed by written confirmation.

C. Coverage

Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows:

- Immediately and no later than one (1) hour from the time of the request; or
- On the date(s) and time as requested by County.

D. Reimbursement

Contractor shall be reimbursed one-and-a-half times the applicable hourly Service Fees ("Hourly Rate") set forth in Exhibit C (Pricing Schedule) to the Agreement for Emergency Services provided within 12 hours of County's request, for the first shift only. Any Emergency Services required thereafter shall be provided utilizing the Contingency Guards in the form of

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Additional Services in accordance with Paragraph 6.1 (Additional Services).

E. Compliance with Labor Laws

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act regarding payment of overtime to its employees, consistent with Paragraph 8.21 (Fair Labor Standards) of the Base Agreement under the Agreement. As specified in Attachment 3 (Performance Requirements Summary) to this SOW, County may impose an assessment against Contractor for failure by Contractor to observe this requirement. County may report Contractor's non-compliance with the California Labor Code to the California Labor Commission.

3.2.4 MATERIALS AND EQUIPMENT

Contractor shall ensure that all Guards, Supervising Guards and Security Managers are equipped with the necessary materials and equipment listed below to perform the Services for each Service Site(s). Unless otherwise specified in writing by the Service Site, Contractor shall be responsible for providing for each of its personnel performing Services hereunder, at a minimum, the following items:

- A. One (1) Sam/Sally Browne belt;
- B. One (1) Handcuff case;
- C. One (1) set Handcuffs plus key;
- D. Four (4) keepers;
- E. One (1) Key Snap;
- F. One (1) heavy-duty 3-cell flashlight approved by County, or approved alternate, with batteries;
- G. One (1) radio holder/pouch;
- H. One (1) Side Handle Baton with Baton Ring or Collapsible Side Handle Baton with Baton Ring. Handler, 12", or the ASP (24" or 26") expandable straight stick;
- I. Appropriate Personal Protective Equipment ("PPE"), including a face masks, goggles, latex gloves and a pouch;
- J. Notebook and pen to document daily activities.

3.2.5 UNIFORMS

Contractor shall provide tailored fit uniforms for each Guard, Supervising Guard and Security Manager working at the Service Site(s). Uniforms must always be clean, neatly pressed and consist of the items listed below. Any exceptions must be approved in writing by County's Project Manager or the Service Site designee, if any.

- A. Trousers – Navy or black;
- B. Shirts – White or blue with the company name/logo;

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- C. Belts – Solid black color, basket weave pattern;
- D. Socks – Solid black or navy blue color;
- E. Shoes – Solid black color, leather material, military style (low laced, plain toed oxfords, with smooth finish);
- F. Shoulder patches, as required by California Business and Professions Code 7582.26(f), on both arms of uniform shirt, polo (if requested by County) and jacket;
- G. Jackets, with appropriate shoulder patches, as appropriate to weather conditions – Navy or black color (as necessary);
- H. Rain gear (as necessary);
- I. Special attire to be provided by Contractor, as requested by County):
 - Black or white polo shirt
 - Tie – Solid black color
 - Tie bar – Gold in color
 - Other appropriate attire reasonably requested by County

3.2.6 VEHICLES AND OTHER TRANSPORTATION

A. Vehicles

Contractor shall, at no cost to County, provide vehicles for Security Managers to conduct patrols, inspections and random visits and to fulfill relief and managing responsibilities at the multiple Service Site(s). As requested by County, Guards may also be assigned to patrol and may need a vehicle for patrolling the Service Site's campus. Contractor's vehicles shall:

1. Be kept clean with no major visible damage;
2. Be clearly identified with Contractor's name and logo;
3. Be less than ten (10) years old;
4. Be in a safe operating condition;
5. Contain copies of vehicle's registration and insurance;
6. Have yellow light bar affixed to roof;
7. Be equipped with or otherwise contain the following items:
 - a. First aid kit
 - b. 5 lb. ABC type fire extinguisher
 - c. Hand-held or vehicle spotlight
 - d. Traffic cones
 - e. Flares
 - f. Yellow scene management (banner guard type) tape

- g. High visibility/reflective vests
 - h. Appropriate PPEs (latex gloves, masks, face shields, goggles, etc.)
 - i. Log containing Guard name and initials, patrol times and mileage (beginning and end of each trip).
8. Be identified and maintained on a list of all vehicles used to provide services under this Agreement, that must include: vehicle description (make, model and year); license plate numbers; vehicle identification numbers; and mileage when vehicle is first to put to use for provision of services hereunder.

B. Other Transportation

- 1. Contractor shall, at no cost to County, also provide transportation other than vehicles, including but not limited to, bicycles and scooters (e.g., Segway) to patrol and conduct inspection rounds throughout each assigned Service Site's campus. All Guards shall wear a yellow or highly reflective vest and helmet while using such other form of transportation. Contractor shall ensure that all other transportation is:
 - a. Kept clean with no major visible damage;
 - b. Less than five (5) years old;
 - c. In a safe operating condition;
 - d. Equipped with reflectors;
 - e. Labeled with an identification number.
- 2. For all other transportation utilized for provision of Services under the Agreement, Contractor shall maintain a current list that includes a description (type and year) and shall assign an identification number.
- 3. Contractor shall ensure that all Guards are trained in the operation of all other transportation being utilized, prior to their first patrol assignment.

3.2.7 RADIOS

Contractor shall provide all Guards and Security Managers with hand-held radios and desktop radios. Contractor shall ensure that:

- A. Radio system is operational and able to operate efficiently and effectively at assigned Service Site(s) without interruption. Each Service Site may have separate radio system requirements, depending on design of the Service Site. Contractor shall be responsible for any and all necessary updates and repairs to the radio system if the system is not efficiently and effectively operational.
- B. Radios adhere to all applicable Federal Communications Commission ("FCC") regulations for all radio communications.

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- C. At least one (1) hand-held radio is fully operational and charged for each of Contractor's staff and, upon County's request, Service Site personnel designated by County.
- D. A desktop radio is available as requested by each Service Site.

3.2.8 ELECTRONIC POST CONFORMATION SYSTEM

Contractor shall provide an automated clock-in/clock-out System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty. Data from the System will be used to create Contractor's invoices for Services.

Unless otherwise directed by County, Contractor shall submit to County for approval the communication plan (i.e., notification to County of any Open Posts and deployment of Guards) before any Services may commence under the Agreement. The EPCS shall have the ability, at a minimum, to:

- A. Upon County's request, generate a report that identifies Contractor's staff clock-in/clock-out times, hours worked and patrol times.
- B. Generate monthly electronic timesheets and invoices.
- C. Alert Contractor's dispatcher when there is an Open Post.

3.3 **CONTRACTOR'S OBLIGATIONS AND REQUIREMENTS**

Contractor shall, at a minimum, meet the obligations and requirements set forth in this Paragraph 3.3 below.

3.3.1 MINIMUM STAFF COVERAGE

Contractor shall ensure that each Service Site is appropriately staffed with Guards, Supervising Guards and Security Managers in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW for the Service Area.

3.3.2 PERFORMANCE STANDARDS

- A. Contractor shall ensure that all Security Staff providing Services at each Service Site meet the standards specified in Paragraph 3.4 (Performance Standards and Requirements) of this SOW.
- B. Security Staff shall always present a courteous and business-like demeanor.
- C. Security Staff shall provide protection from bodily harm for employees, visitors, patients and other members of the public.
- D. Security Staff shall safeguard County property against fire, theft, vandalism and illegal entry.
- E. During the coverage of a Post, if a condition exists wherein there is imminent danger of injury to the public or damage to County property, the Guard shall control the situation and intervene, as

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appropriate, to prevent injurious acts to persons or property. As soon as it is safe to do so, Contractor's staff shall notify the Supervising Guard and County of the incident.

3.3.3 MINIMUM REQUIREMENTS

Contractor shall ensure that all Security Staff providing Services at each Service Site meet the minimum requirements for performance of Services at specified in this SOW, including those set forth below.

- A. Contractor shall ensure that Security Staff maintain all required permits and meet all applicable training requirements.
- B. Contractor shall conduct inspections, provide new uniforms when needed and take other appropriate measures to ensure that Security Staff maintain a professional appearance.
- C. Contractor shall ensure that Security Staff are trained in the use of equipment (e.g., weapon scanning equipment) needed for performance of Services at each Service Site.
- D. Contractor shall ensure that Security Staff are knowledgeable with all policies and procedures (i.e., Post Orders, Contractor internal policies, DHS guidelines and any specific Service Site protocols).

3.4 PERFORMANCE STANDARDS AND REQUIREMENTS

3.4.1 LICENSES, CERTIFICATIONS AND QUALIFICATIONS

Contractor shall have obtained and maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to the performance of this Agreement and the Services provided hereunder. Copies and/or proof of such licenses, permits, registrations, certifications and accreditations relating to the Services shall be made available to County prior to the Effective Date of this Agreement and upon request. Also, all of Contractor's personnel providing Services under the Agreement shall have the requisite experience and qualifications as well as the necessary licensing, certifications, credentialing and training for proper performance of Services hereunder in accordance with Contractor's own requirements and the applicable industry standards and regulations.

3.4.2 ONBOARDING

Contractor must meet any onboarding criteria and qualifications as required by the Service Sites for which Services may be provided by Contractor under the Agreement. County may immediately cease engaging Contractor for provision of Services hereunder if, in County's sole discretion, Contractor does not meet a Service Site's onboarding criteria or qualifications. County shall have no liability to Contractor for any Services provided without County's verification of the applicable onboarding criteria and qualifications and

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authorization for provision of Services or without the appropriate certifications.

Service Site may also require Contractor to participate in an orientation. If required by a Service Site, Contractor shall complete the Facility Policy and Procedures Manual, DHS Risk Management Information Manual and New Employee/Contractor Checklist within thirty (30) days of hire and/or assignment for provision of Services hereunder. Contractor must acknowledge receipt of all documentation and orientation by signing and dating the New Employee/Contractor Checklist.

3.4.3 POLICIES AND PROCEDURES

A. Procedural Manual

Contractor shall develop and provide to County's Project Manager, at least ten (10) business days prior to commencing any work under the Agreement, Contractor's procedural manual for provision of Services under the Agreement, including Post coverage. This procedural manual will be updated by Contractor throughout the term of the Agreement to reflect changes to County's needs or operations.

B. Complaint Investigation Procedures

Contractor shall develop, maintain and provide to County's Project Manager, at least ten (10) Business Days prior to commencing any work under the Agreement, Complaint Investigation Procedures, which shall include procedures for receiving, investigating and responding to complaints by Guards, members of the public and County personnel, as further specified in Paragraph 8.6 (Complaints) of the Base Agreement under the Agreement.

C. Illness and Injury Prevention Program

Contractor shall provide to County's Project Manager, prior to commencing any work under the Agreement and annually thereafter, a copy of Contractor's CAL/OSHA-compliant Illness and Injury Prevention Program ("IIPP"). IIPP shall be regularly updated to reflect current risks and hazards and changes in regulatory requirements.

D. Compliance with Policies and Procedures

All Services provided hereunder shall be in compliance with, and all Contractor personnel providing the Services shall comply with, all policies, procedures, protocols, rules and directives applicable to each assigned Service Site.

3.4.4 CONTINUING EDUCATION

Throughout the term of the Agreement, Contractor shall be in conformance with all applicable continuing education requirements, including California Bureau of Security and Investigative Services.

4.0 PERSONNEL

4.1 COUNTY PERSONNEL

County will designate personnel for administering Contractor's performance under the Agreement, including the Statement of Work, as specified in Paragraph 6.0 (Administration of Agreement – County) of the Base Agreement under the Agreement. County personnel will provide direction to Contractor in areas relating to County policy information and procedural requirements.

4.2 CONTRACTOR PERSONNEL

As specified in Paragraph 7.0 (Administration of Agreement – Contractor) of the Base Agreement under the Agreement, Contractor shall designate Contractor's Project Director to lead and coordinate Contractor's provision of Services described hereunder and act as a central point of contact with County personnel. Contractor's personnel shall meet the qualifications and other specifications as set forth below in this Paragraph.

4.2.1 CONTRACTOR'S PROJECT DIRECTOR

- A. Contractor's Project Director shall have full authority to act on behalf of Contractor regarding all matters relating to the daily operations of the Agreement.
- B. Contractor's Project Director must have at least three (3) years of experience within the last five (5) years providing security project management services in a healthcare setting, including management and coordination of multiple locations.
- C. Contractor shall ensure that Contractor's Project Director, or qualified designee, is available and reachable by County regarding this Agreement, at a minimum via telephone, at all times during Business Hours.
- E. Contractor's Project Director shall institute and maintain appropriate supervision of all personnel providing Services on behalf of Contractor pursuant to the Agreement, including employees and subcontractors.

4.2.2 CONTRACTOR'S PROJECT MANAGER

- A. Contractor's Program Manager shall manage and provide oversight of the administrative functions, such as monthly invoices, administrative files and timesheets.
- B. Contractor's Project Manager shall be responsible for determining daily work duties, staffing levels, scheduling and staffing hours needed to properly provide Services under the Agreement.
- C. Contractor's Program Manager must have at least two (2) years of experience within the last three (3) years working for a security

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contractor and providing administrative duties such as timekeeping, personnel and payroll support.

4.2.3 SECURITY GUARD CLASSIFICATIONS

Contractor shall provide the following security Guard classifications for provision of Services (including Post coverage) in accordance with each applicable Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to this SOW:

A. Security Manager

Contractor shall provide Security Manager, as specified in Attachment 7.1 (Staff Specifications – Security Manager) of this SOW.

B. Supervising Guard

Contractor shall provide Supervising Guard, as specified in Attachment 7.2 (Staff Specifications – Supervising Guard) to this SOW.

C. Guard III

Contractor shall provide Guard III, as specified in Attachment 7.3 (Staff Specifications – Guard III) to this SOW.

D. Guard II

Contractor shall provide Security Guard II, as specified in Attachment 7.4 (Staff Specifications – Guard II) to this SOW.

E. Guard I

Contractor shall provide Security Guard I, as specified in Attachment 7.5 (Staff Specifications – Guard I) to this SOW.

4.2.4 PERSONNEL REQUIREMENTS

Contractor shall ensure that personnel providing Services pursuant to the Agreement meet, at a minimum, the requirements as specified below:

- A. Contractor shall provide sufficient personnel to fulfill the requirements of the Agreement and the Statement of Work.
- B. Contractor personnel must effectively communicate in English, both orally and in writing.
- C. Contractor shall notify County in writing of any change to Contractor's personnel and, if feasible, seek County's approval prior to the change in accordance with Paragraph 7.3 (Approval of Contractor Staff) of the Base Agreement under the Agreement regarding County's right to approve or disapprove Contractor's personnel.
- C. Contractor personnel shall be required to attend any scheduled meetings with County staff, as requested or required by County.

4.3 TRAINING

Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 3 (Training Outline) to this SOW, including Guard-specific and DHS mandatory training requirements for non-County workforce.

4.4 LITIGATION APPEARANCES AND COUNTY INVESTIGATIONS

4.4.1 Contractor's staff may be required to make litigation related appearances, including as a witness regarding job-related incidents.

4.4.2 Contractor's staff may be asked to cooperate during an investigation for job-related incidents by County personnel.

4.4.3 County will reimburse Contractor the cost of travel, lodging and per diem expenses actually incurred by Contractor's staff for any litigation related appearances and meetings, including investigation interviews, approved by County's Project Manager, at the rates not to exceed those approved for reimbursement to County employees.

4.5 APPLICANT FILE

Contractor shall submit to County for review and approval the applicant's pre-employment file for each member of Security Staff that may provide Services under the Agreement before scheduling background investigation in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. Contractor shall maintain a pre-employment file for each applicant referred to County for background investigation, which shall contain, at a minimum, the following:

4.5.1 EMPLOYMENT APPLICATION

The employment application, including a list of the candidate's jobs held and any periods of unemployment for the previous ten (10) years, including all security services experience.

4.5.2 MILITARY SERVICE DOCUMENTATION

If prospective applicant served in the military, documentation of all military experience (regular or reserve), including a copy of Selective Service Card DD Form 214 (Certificate or Release or Discharge from Active Duty).

4.6 ADMINISTRATIVE FILE

Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the following:

4.6.1 Driving Record, including a current printout of the Department of Motor Vehicle ("DMV") record for any Security Staff assigned to drive, which shall be updated annually.

4.6.2 Current and up-to-date Guard Registration Card, issued by the California Department of Consumer Affairs ("DCA"), Bureau of Security and Investigative Services ("BSIS").

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- 4.6.3 Current and up-to-date adult, child and infant CPR card, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours), and Automated External Defibrillator ("AED") certification.
- 4.6.4 Current and up-to-date First Aid Certification, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours).
- 4.6.5 Current and up-to-date baton permit issued by BSIS .
- 4.6.6 Valid and up-to-date California Class "C" Driver's License or California ID Card.
- 4.6.7 Health screening documentation specified in Paragraph 4.9 (Health Screening) of this SOW.
- 4.6.8 A file containing completed trainings and certificates as specified in Attachment 5 (Training Outline) to this SOW.

4.7 BACKGROUND AND INVESTIGATIONS

Contractor shall ensure that all personnel providing Services hereunder have undergone and passed, to the satisfaction of County, background checks in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. County's background investigation shall include, at a minimum, review of State, local and Federal level criminal conviction information obtained through fingerprints submitted to the California Department of Justice.

4.8 IDENTIFICATION BADGES

Contractor shall ensure personnel providing Services hereunder are appropriately identified in accordance with Paragraph 4.4 (Contractor's Staff Identification) of Exhibit A (Additional Provisions) to the Agreement.

4.9 HEALTH SCREENING

Contractor shall ensure personnel providing Services hereunder obtain health screenings in accordance with Paragraph 4.1 (Medical Health Screening) of Exhibit A (Additional Provisions) to the Agreement.

5.0 ROLES AND RESPONSIBILITIES

5.1 COUNTY'S RESPONSIBILITIES

Service Sites will be tasked with the roles and responsibilities as provided in this Paragraph 5.1 below.

5.1.1 FURNISHED ITEMS

- A. County may provide Contractor's staff with non-exclusive office or other space with furniture and/or equipment at a Service Site.
- B. County may provide furniture and equipment, which will be reasonably maintained or replaced due to normal wear and tear. Pictures of office space and furnishings shall be taken upon Contractor taking possession.

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- C. County will provide an inventory list of all furniture and equipment, which shall be signed by Contractor upon acceptance.
- D. County may inspect, request return of and otherwise have a right to enter and search such property at a Service Site.
- E. Upon termination or expiration of the Agreement, all County furniture and equipment shall be returned to County in good operating condition, less reasonable wear and tear. If County determines that any furniture or equipment is beyond reasonable wear and tear condition, Contractor shall be required to replace the furniture and/or equipment within 30 days from County's notice requesting such replacement.
- F. Contractor's Security Staff shall sign-in and sign-out for all County-furnished equipment, such as keys, when reporting for duty and at the end of the work shift. Replacement for any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property shall be the responsibility of Contractor. In addition, any costs associated with any such loss, disappearance, destruction, misuse or theft (i.e., re-keying Service Site, broken windows, loss or stolen equipment) shall be the responsibility of Contractor.
- G. Contractor's Project Manager shall report any improperly working or defective County-furnished equipment to the Service Site designee of County's Project Manager through a written memorandum within twenty-four (24) hours of Contractor's knowledge of the problem or defect.

5.1.2 POST ORDERS

County will provide to Contractor general Post Orders and Service Site specific Post Orders. General Post Orders will apply to all Service Site(s), while Service Site specific Post Orders will be unique to the requirements of a Service Site or Post. Contractor shall ensure that all members of its Security Staff are knowledgeable with and adhere to all general Post Orders and the applicable Service Site specific Post Orders.

5.2 **CONTRACTOR'S RESPONSIBILITIES**

5.2.1 STAFFING COVERAGE

A. Log of Questions, Inquiries and Complaints

Contractor shall maintain a written log of all questions, inquiries and complaints, the date and time each was received and a description of the action taken in response or reason for the non-action, together with its date and time. The log shall be made available to County for inspection at the request of County staff.

B. Holidays

Contractor shall be required to provide Services on County-recognized holidays at Service Site(s) operating on twenty-four

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(24) hour/seven (7) days a week basis or upon request by County. Contractor's all-inclusive billable rate shall cover the cost of any holiday pay. A listing of County-recognized holidays may be found at the following link: <https://lacounty.gov/government/about-la-county/about/>.

5.2.2 CONTINGENCY GUARDS

Contractor shall maintain a minimum of fifteen (15) percent (15%) contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post. Contingency Guards shall be County background-cleared, trained and certified and shall meet the applicable requirements of a Guard. Contingency Guards shall be made available for deployment to a Service Site as needed, throughout the term of the Agreement. Contractor shall provide to County on a quarterly basis or as otherwise instructed by County a list of Contingency Guards qualified and available for provision of Services under the Agreement.

5.2.3 PLANNED AND UNPLANNED ABSENCES

Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences. Procedures for absences shall be as follows:

- Contractor shall notify the applicable Service Site designee of County's Project Manager of any planned absence as soon as possible and at least one (1) hour prior to any such unplanned absence.
- In the event Guard must leave during the shift, replacement Guard shall deploy within one (1) hour to complete the remaining shift.
- Contractor shall assign a Guard or Supervising Guard for planned and unplanned absences to ensure continuous Post coverage.
- For any reported unplanned absence, Contractor shall deploy a Guard or Supervising Guard to the Service Site within one (1) hour.
- If a Supervising Guard is deployed for an unplanned absence of a Guard, the Supervising Guard shall remain at the Post until a replacement Guard arrives.

B. Additional Coverage

Generally, coverage for any part of or any facility or site ("Additional Site(s)"), other than the Service Site(s) specified herein, is provided by the incumbent contractor assigned to the area for such facility/site. However, County may request that Contractor also provide coverage for any Additional Site(s), based on Contractor's capacity, capability and performance, as well as business needs of County. Upon agreement of the parties, coverage for any such Additional Sites shall be provided in the form of Additional Services in accordance with Paragraph 6.1 (Additional Services) at the Hourly Rates not to exceed those

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specified in Exhibit C (Pricing Schedule) to the Agreement for Required Services.

Furthermore, in the event that Contractor is not able to provide Additional Services for any part of or any Service Site in its assigned Area ("Additional Location(s)") as requested by County, County reserves the right to engage another contractor for provision of security guards for such Additional Location(s).

5.3 CONTRACTOR'S OFFICE

Contractor shall maintain an office with a telephone in Contractor's name where Contractor conducts business. The office shall be staffed during Business Hours by at least one (1) employee who can respond to questions and any inquiries or complaints which may be received about Contractor's performance under the Agreement. Outside of Business Hours, Contractor shall provide for telephone or remote after-hours service for receiving calls. Unless otherwise agreed to by the parties or specified under this SOW, Contractor shall respond to calls received by the after-hours service within thirty (30) minutes of the call.

5.4 REPORTING

Contractor shall submit to County the following reports:

5.4.1 MONTHLY INSPECTION REPORT

- A. A Monthly Inspection Report ("MIR") of Contractor's scheduled and unscheduled inspections shall be submitted by the tenth (10th) business day of each month for each Service Site for which Services were provided, for the preceding month of Services, which shall include:
 - 1. Full details on all Services provided.
 - 2. Any corrective action(s) taken.
 - 3. A clear description of the problems.
 - 4. The time elapsed between identification and completed corrective action(s).
- C. Contractor shall maintain all MIR records and reports for five (5) years following termination or expiration of the Agreement.

5.4.2 DAILY ACTIVITY REPORTS

- A. Guards shall note the time and briefly describe events that have taken place throughout the day, such as theft, fire, unauthorized entry to secured area, property damage, bodily injury, etc. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift. Sufficient time shall be allocated for Guards to discuss any issues or concerns prior to the beginning of the next shift.
- B. Supervising Guard shall document site visits with Guards with respect to the following: uniform inspection, training completed, relief given for breaks or meal periods, records reviewed. DAR

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shall also include any communication with the Department personnel encountered, contract monitors contacted and any CDR follow-up completed.

➤ DAR summary shall be made following each Service Site visit.

C. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift.

5.4.3 SECURITY INCIDENT REPORTS

Contractor shall provide Security Incident Reports ("SIR") for incidents considered emergencies (e.g., potential property damage or personal injury that requires the need for Fire and Law Enforcement personnel). After the incident is no longer an imminent concern, Contractor shall:

A. Immediately notify the applicable Service Site designee for County's Project Manager in-person or via phone and follow up with an email.

B. Complete and provide to County the SIR by the end of the shift during which the incident occurred, if possible, but no event later than twenty-four (24) hours after the incident.

5.4.4 MATRIX REPORT

Contractor shall submit by the tenth (10th) business day of every month a Matrix Report to track all required certificates, trainings and any revised trainings needed to maintain compliance with the Agreement. The Matrix Report shall include, at a minimum, the following:

A. Service Site(s) name;

B. Security Staff's last and first name;

C. Security Staff's card number;

D. Date of training;

E. Name of training (attach course description);

F. Type of training (computer, class/session (virtual or in-person), handout, demonstration), including a brief description

G. Baton permit expiration date;

H. CPR and First Aid expiration date;

I. Customer service training;

J. Date of most recent performance evaluation.

5.4.5 VEHICLE MILEAGE REPORT

Contractor shall submit by the tenth (10th) business day of every month a summary log of vehicle mileage that includes name and initials of Security Staff, starting and ending mileage listing of Service Site(s) visited that during patrols and inspections.

5.5 OPERATIONAL PLANS

Contractor shall develop and maintain during the term of the Agreement the following operational plans, which shall be subject to County's approval. Any updates to the operational plans must have County's approval. All plans and related materials will be maintained on file and available for review by County upon request.

5.5.1 CONTRACTOR'S CONTINUITY OF OPERATIONS PLAN

- A. If required by County, Contractor, in collaboration with County, shall develop and provide to County within sixty (60) days from the Effective Date of the Agreement a Continuity of Operations Plan ("COOP") for each Service Site in compliance with County's Chief Executive Office ("CEO"), Office of Emergency Management ("OEM") guidelines. Contractor's COOP will be used for assisting County with restoration of Service Site operations in the event of an emergency or a disaster. The COOP shall address, at a minimum, the following:
 1. Coordination of Service Site emergency response drills in cooperation with County personnel and emergency responders.
 - Contractor shall document and report to the Service Site designee of County's Project Manager the results of any emergency response drills conducted at the Service Site.
 2. A tabletop (scenario) COOP exercise, for each Service Site, to be conducted at a minimum once a year.
 - The purpose of the scenario exercise is to ensure that information in COOP is complete and accurate and that Contractor's Security Staff know their responsibilities during an emergency or disaster and adhere to the Service Site's emergency response plan.
 - The results of scenario exercises shall be reported to the Service Site designee of County's Project Manager and shall include, at a minimum, the following: an overview of the exercise conducted, name and position of participant(s), nature of any deficiencies, a corrective action plan and the timeframe to correct deficiencies.
- B. The COOP shall be updated on an ongoing basis to reflect any changes in information as well as Service Site's current operations and emergency response plan, with updated COOP provided to the Service Site designee of County's Project Manager.
- C. Failure to adhere to the COOP in the event of an emergency or disaster may result in assessment by County of liquidated damages as specified in the Agreement, including Attachment 4 (Performance Requirements Summary) to this SOW.

5.5.2 RECRUITMENT PLAN

Contractor shall develop and provide to County at least ten (10) business days prior to commencing Services under the Agreement Contractor's plan ("Recruitment Plan") for recruiting Security Staff and maintaining a steady 15% pool of Contingency Guards. Contractor shall update the Recruitment Plan during the term of the Agreement and provide the updated Recruitment Plan to the Service Site designee of County's Project Manager.

6.0 ADDITIONAL SERVICES AND CHANGES TO SCOPE

6.1 ADDITIONAL SERVICES

County may request provision of Services other than those described or specified in Paragraph 3.0 (Required Services) above or elsewhere in the Agreement, including professional services ("Additional Services"). Additional Services may be provided on a time and materials basis or fixed price basis, as authorized by County. Additional Services shall require approval from the applicable Service Site designee of County's Project Manager of the requesting Service Site prior to commencement.

Upon County's request for provision of Additional Services on a fixed price basis, Contractor shall prepare and submit a written description of the work to be performed, together with a cost estimate for completion of the requested Additional Services, inclusive of all labor, materials, travel and any per diem costs at the applicable rates that may be set forth in the Pricing Schedule. Upon County's request for provision of Additional Services on a time and materials basis, Contractor shall provide a best estimate of the number of hours needed to complete the requested Additional Services. In any case, any acquisition of Additional Services shall be memorialized by an appropriate modification to the Agreement.

6.2 CHANGES TO SCOPE

The Director of DHS, or authorized designee, may add and/or delete Service Sites or otherwise require changes to the scope of the Agreement. Any such changes shall be made by a modification to the Agreement as authorized by Paragraph 8.1 (Amendments and Modifications) of the Base Agreement under the Agreement.

7.0 CONTRACTOR'S QUALITY CONTROL

Contractor shall establish and maintain the plans and procedures described below, including a comprehensive Quality Control Plan ("QCP"), to ensure provision by Contractor of consistently high level of Services throughout the term of the Agreement. Contractor shall submit for review and approval to County's Project Manager its QCP within 30 days of the Effective Date of the Agreement. Contractor shall resolve within 10 business days any concerns raised by County regarding the QCP, make any required adjustments and resubmit a revised QCP to County.

7.1 QUALITY CONTROL PLAN

The Quality Control Plan ("QCP") shall include, at a minimum, the following:

STATEMENT OF WORK

- 7.1.1 Description of Contractor's standards to improve quality, efficiency and effectiveness of Services provided hereunder, including:
- Identification of opportunities for improvement;
 - Clear expectations and metrics about the action required to improve performance;
 - Contractor's support and resources available to make the improvements;
 - Follow-up plans to measure Contractor's progress with improving and sustaining performance; and
 - Description of possible consequences if performance improvement standards are not met.
- 7.1.2 Description of Contractor's plan to maintain compliance with all applicable laws, standards and regulations, including County policies, procedures and/or departmental bulletins approved by the Director of DHS, or designee, relating to the performance standards and outcome measures.
- 7.1.3 Description of Contractor's methods of monitoring to ensure:
- All Agreement requirements are being met; and
 - All of Contractor personnel who provide Services hereunder maintain current immunizations and licenses and meet the training and other requirements under the Agreement.

7.2 QUALITY RECORDS

Contractor shall perform periodic quality audits to ensure Services, including equipment used for provision of Services, adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.

8.0 COUNTY'S QUALITY ASSURANCE

8.1 QUALITY ASSURANCE PLAN

County may evaluate Contractor's performance under the Agreement on an annual basis or more frequently, as determined by County. Evaluation of Contractor's performance may include, among others, County's assessment of Contractor's compliance with the requirements of the Statement of Work and invoicing.

8.2 CONTRACTOR DISCREPANCY REPORT

8.2.1 Verbal or written notification of any Agreement discrepancy will be made to Contractor's Project Director as soon as possible whenever a discrepancy is identified. Contractor shall, without unreasonable delay, resolve the problem within a period of time mutually agreed to by County and Contractor.

8.2.2 County's Project Manager will determine whether a formal CDR shall be issued. Upon receipt of a CDR, Contractor shall, within five (5)

STATEMENT OF WORK

business days of receipt of the CDR, provide to County's Project Manager a written response, which shall include a corrective action plan and proposed timeframe(s) for improving performance to an acceptable level and preventing re-occurrence of the deficiencies identified in the Contractor Discrepancy Report.

8.3 PERFORMANCE REQUIREMENTS SUMMARY

- 8.3.1 County may identify certain critical and minimum acceptable requirements of Contractor's performance of the Agreement in a Performance Requirements Summary, as set forth in Attachment 3 (Performance Requirements Summary) to this SOW ("PRS Chart").
- 8.3.2 The provisions listed in the PRS Chart are intended to be consistent with the requirements of the Agreement, including the Statement of Work, and not to create, extend, revise or expand any obligations of Contractor beyond such requirements. In the event of apparent inconsistency between the requirements of the Agreement and the PRS Chart, the meaning apparent in the Agreement shall prevail.
- 8.3.3 Failure by Contractor to comply with the requirements set forth in the PRS Chart at any time during the term of the Agreement shall entitle County, at its sole discretion, in addition to any other remedies available to County under the Agreement, to assess credits, fees or other financial deductions against Contractor as specified in the PRS Chart.

8.4 COUNTY OBSERVATIONS

In addition to departmental contracting staff, other County personnel may, at any time during normal Business Hours, without unreasonably interfering with Contractor's performance, observe Contractor's performance and activities, as well as review documents relevant to the Agreement.

**ATTACHMENT 1
SERVICE SITES
SECURITY GUARD
SERVICES AREA 3**

SERVICE SITE	STREET ADDRESS	CITY	STATE	ZIP	POINT OF CONTACT
Olive View UCLA Medical Center	14445 Olive View Dr.	Sylmar	CA	91342	Frank Colbert fcolbert@dhs.lacounty.gov (747) 210-3405
Administrative Head Quarters	313 N.Figueroa S.	Los Angeles	CA	90012	Alexander Garcia alexgarcia@dhs.lacounty.gov 213-288-8321
Community Programs (Housing for Health)	238 E. 6th St. 655 S. Maple St.	Los Angeles	CA	90014	Roy Santos rsantos2@dhs.lacounty.gov (213) 526-5211

ATTACHMENT 2

CONTRACTOR DISCREPANCY REPORT

CDR NUMBER	DATE CDR PREPARED
SERVICE SITE / FACILITY	
CONTRACTOR	AGREEMENT / CONTRACT NUMBER
TO CONTRACTOR'S STAFF [NAME AND TITLE]	FROM [COUNTY'S STAFF NAME AND TITLE]

INCIDENT DETAILS

DATE(S) OF INCIDENT	TIME(S) OF INCIDENT	LOCATION(S) OF INCIDENT
DESCRIPTION OF INCIDENT		
CONTRACTUAL REQUIREMENT(S) – INCLUDE AGREEMENT REFERENCE(S)		

CONTRACTOR DUE DATES

[refer to Agreement to confirm number of days allotted]

1) Contractor's Written Acknowledgement of discrepancy response due within two (2) business days from the date of this CDR: _____	
2) Contractor's Correction Plan of all deficiencies identified in this CDR due within five (5) business days from the date of this CDR: _____	
SIGNATURE OF COUNTY'S REPRESENTATIVE	DATE

CONTRACTOR CORRECTIVE ACTION PLAN

IDENTIFY THE ROOT CAUSE OF INCIDENT AND CORRECTIVE ACTION TAKEN		
PLAN FOR PREVENTION OF FUTURE INCIDENTS		
WRITTEN NAME & TITLE OF CONTRACTOR'S REPRESENTATIVE	SIGNATURE OF CONTRACTOR'S REPRESENTATIVE	DATE

STATEMENT OF WORK

COUNTY EVALUATION OF CONTRACTOR'S RESPONSE				
	YES	NO (IF NO, FURTHER ACTION IS REQUIRED)	Not Applicable (N/A)	ACTION TAKEN / COMMENTS
Contractor acknowledgement of CDR received by Due Date				
Contractor Corrective Action Plan (CAP) received by Due Date				
CAP resolves Discrepancy(ies)				
Plan for Prevention of future incidents is acceptable				
Contractor notified of deficient CAP & possible PRS assessment (Due Date for acceptable CAP is 10 business days)				
Contractor resolved deficient CAP				
If no, Contractor notified of PRS Assessment				
PRS Deductions taken (Invoice No./ Date)				
CONTRACTOR NOTIFIED OF ACTION				
WRITTEN NAME & TITLE OF COUNTY REPRESENTATIVE:			SIGNATURE OF COUNTY REPRESENTATIVE:	
DATE:				
WRITTEN NAME & TITLE OF CONTRACTOR REPRESENTATIVE:			SIGNATURE OF CONTRACTOR REPRESENTATIVE:	
DATE:				

ATTACHMENT 3
PERFORMANCE REQUIREMENTS SUMMARY

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
<i>BASE AGREEMENT</i>			
Base Agreement: Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)	Contractor shall maintain all required records, as specified in Paragraph 8.42.	Inspection of files	\$100 per incidence of non-compliance
Base Agreement: Paragraph 8.45 (Subcontracting)	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection and Observation	\$100 per incidence of non-compliance.
<i>ADDITIONAL PROVISIONS</i>			
Additional Provisions: Paragraph 10 (Compliance with County's Advance High Road Jobs Initiative)	Contractor shall be in compliance with the County's Advancing High Road Jobs Initiative.	Semi-annual report	\$100 per incidence of non-compliance.
<i>STATEMENT OF WORK</i>			
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall assign Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.	Inspection and Review	\$200 per hour, per Open Post; Open Post are tracked in one-hour increments.
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall develop and maintain up-to-date a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW, which shall specify the shifts and shall be made available to County upon request.	Inspection and Review	\$100 per occurrence of failure to provide to County a deployment roster upon request or for providing an outdated deployment roster.
SOW: Paragraph 3.2.3 (Emergency Services)	Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows: ➤ Immediately and no later than one (1) hour from the time of the request; or ➤ On the date(s) and time as requested by County.	Inspection and Review	\$200 per occurrence of failure to provide Post coverage in compliance with Paragraph 3.2.3.

STATEMENT OF WORK

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 3.2.8 (Electronic Post Confirmation System)	Contractor shall provide an automated clock-in/clock System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty.	Observation, Inspection of time sheets and random Site Visits	\$500 per occurrence of any errors or issues relating to Electronic Post Confirmation System.
SOW: Paragraph 3.3 (Contractor's Obligations and Requirements)	Contractor shall ensure that (i) each Service Site is appropriately staffed; (ii) Security Staff meet performance standards; and (iii) Security Staff meet the minimum requirements, as specified in Paragraph 3.3.	Inspection and Observation	\$500 per incidence of non-compliance.
SOW: Paragraph 3.4 (Performance Standards and Requirements)	Contractor shall (i) maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to performance of Services; and (ii) meet Service Site onboarding criteria, as specified in Paragraph 3.4.	Inspection and Observation	\$100 per incidence of non-compliance.
SOW: Paragraph 4.2 (Contractor Personnel)	Contractor's personnel shall meet the qualifications and other specifications as set forth in Attachments (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the SOW.	Observation, random Inspections; Review of administrative files	\$500 per incidence of non-compliance
SOW: Paragraph 4.3 (Training)	Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 5 (Training Requirements) to the SOW.	Observation, random Inspections; Review of administrative files	\$100 per each employee non-compliant with the requirements of Attachment 5 (Training Requirement) to the SOW.
SOW: Paragraph 4.6 (Administrative File)	Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the documentation, as specified in Paragraph 4.6.	Inspection and Review	\$100 per occurrence for any missing, or incomplete or outdated administrative file documentation specified in Paragraph 4.6

STATEMENT OF WORK

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 5.2.2 (Contingency Guards)	Contractor shall maintain a minimum of fifteen (15) percent contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post, as specified in Paragraph 5.2.2.	Inspection and Review	15% deduction from each invoice within the applicable Area.
SOW: Paragraph 5.2.3 (Planned and Unplanned Absences)	Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences, as specified in Paragraph 5.2.3.	Inspection and Review	\$500 per occurrence of violation of Paragraph 5.2.3.
SOW: Paragraph 5.4 (Reporting)	Contractor shall provide to County the Monthly Inspection Report (MIR), Daily Activity Reports (DAR), Security Incident Reports (SIR), Matrix Report, and the Vehicle Milage Report, as specified in the Paragraph 5.4.	Inspection and Review	\$100 per occurrence of failure to provide any of the reports identified in Paragraph 5.4.
SOW: Paragraph 5.5.1 (Contractor's Continuity of Operations Plan)	Failure to adhere to Contractor's COOP approved by County in the event of an emergency or disaster as required under Paragraph 5.5.1.	Inspection and Observation	\$1,000 per incidence of non-compliance.
SOW: Paragraph 7.0 (Contractor's Quality Control)	Contractor shall establish and maintain a QCP as required in Paragraph 7.0.	Inspection and Observation	\$250 and revisited if not provided within 10 business days.
SOW: Paragraph 7.2 (Quality Records)	Contractor shall perform periodic quality audits to ensure Services adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.	Inspection and Review	\$200 per occurrence of any missing or incomplete records.

**ATTACHMENT 4.3
MINIMUM STAFF COVERAGE - AREA 3**

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
3	Olive View UCLA Medical Center	Security Manager	Manager	1	0900 - 1700	Mon - Fri, Hol (everyday)
	Olive View UCLA Medical Center	On-Site Supervisor	Supervisor	3	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Main Lobby 1st Floor	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Main Lobby 1st Floor	Guard I	1	0600 - 2200	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Outpatient Lobby	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Outpatient Lobby	Guard I	1	0600 - 2200	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.3
MINIMUM STAFF COVERAGE - AREA 3**

3	Olive View UCLA Medical Center	Visitor Screening Main Entrances *Only used during pandemics, not normally active	Guard I	2	0600 - 2200	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Relief	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Relief	Guard I	1	0600 - 2200	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Rover	Guard I	1	0900 - 1700	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	MRI Entrance 1st Floor	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	ER Walk-In & Waiting Room	Guard II	3	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	ER Ambulance Entrance	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.3
MINIMUM STAFF COVERAGE - AREA 3**

3	Olive View UCLA Medical Center	Psychiatric Entrance	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Psychiatric ER	Guard III	2	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	4A, 4B, 4C, 4D, 5A, 5B, 5C, 5D	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	6A	Guard III	2	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	6C	Guard III	1	0000 - 2400	Sun - Sat, Hol (everyday)
3	Olive View UCLA Medical Center	Fire Watch / Exterior Patrol 1 & 2	Guard I	2	0000 - 2400	Sun - Sat, Hol (everyday)
	Olive View UCLA Medical Center	Infectious Disease	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.3
MINIMUM STAFF COVERAGE - AREA 3**

	Olive View UCLA Medical Center	Loading Dock	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
3	Administrative Headquarters	Lobby	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
		Lobby	Guard I	1	0800 - 1600	Mon - Fri
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
3	Community Programs (Housing for Health)	Interior Patrol	Guard II	2	0800 - 1630	Mon - Fri

APPENDIX B – ATTACHMENT 5

TRAINING REQUIREMENTS

This Attachment 5 sets forth the training requirements for the provision of Security Guard Services under the Agreement, required by the County of Los Angeles ("County") for the provision of Services by Security Guards I, II and III ("Guard(s)"), Supervising Guards and Security Managers (Security Staff). Contractor shall ensure that all Security Staff working at County buildings, hospitals and/or clinics ("Service Site(s)") complete all applicable training required by County, as set forth herein below. **Unless indicated otherwise in writing by the County, all such training shall be at no cost to the County.**

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required Prior to 1st Day at Service Site	
1	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the Statement of Work: ➤ Power to Arrest ➤ Weapons of Mass Destruction and Terrorism Awareness ➤ Public Relations – Community and Customer ➤ Observation and Documentation ➤ Communication and its Significance ➤ Liability/Legal Aspects ➤ First Aid / Cardiopulmonary Resuscitation (CPR) / Automated External Defibrillator (AED) ➤ Baton Permit <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	All Security Staff
2	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.4) under Attachment 7 (Staff Specifications) to the Statement of Work. ➤ Monitoring Crowd Control ➤ Trespass Course ➤ Arrest, Search, and Seizure ➤ Chemical Agents <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	Guard II's, Guard III's, Supervising Guards & Security Managers

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required to be Completed on 1st Day of Assignment at Service Site	
3	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on their first day of deployment at a Service Site: ➤ Post Orders & Assignments ➤ Facility Policies/Orientation ➤ Evacuation Procedures ➤ Handling Difficult People ➤ Workplace Violence* ➤ Officer Safety ➤ Access Control ➤ Compliance Awareness Training (CAT) ➤ Commercial Sexual Exploitation of Children (CSEC 101) ➤ County Wide Privacy Awareness Training ➤ Cybersecurity Awareness Curriculum ➤ HIPPA for Covered Entities <i>*Security Staff will be required to complete a Workplace Violence course annually thereafter.</i>	All Security Staff
4	Training documents for this course will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete this course on their first day of employment under this Agreement: ➤ Just Culture Managers and Supervisors	Supervising Guard & Security Managers
	Post Specific Training	
5	Contractor shall train all Security Staff on use of Contractor-issued vehicles and other transportation, upon a patrol assignment at a Service Site: ➤ Vehicle and Other Transportation Usage	All Security Staff Assigned Vehicles and Other Transportation
6	Contractor shall train all Security Staff on use of equipment used to screen for weapons, including x-ray machines and hand-held magnetometers prior to assignment at a Service Site: ➤ Weapon Detection Equipment Usage	All Security Staff Assigned to Post with Weapon Detection Equipment

	NAME OF COURSE/ CERTIFICATE/PERMIT	STAFF REQUIRED
	Ongoing DHS Training	
7	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on an Annual basis: ➤ Facility Reorientation Handbook ➤ Employee Health Services Annual Tuberculosis Surveillance Training ➤ Workplace Violence	All Security Staff
8	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Employees ➤ Sexual Harassment and Discrimination Prevention for Non-Supervisors	Guards
9	Course documents will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Supervisors ➤ Sexual Harassment and Discrimination Prevention for Supervisors	Supervising Guard & Security Managers

SOW - ATTACHMENT 6

DEPARTMENT NAME: _____

October 2026

STAFF SPECIFICATIONS – SECURITY MANAGER

Security Manager shall be assigned to one or more Services Sites for the management of the Security Staff providing Services under the Agreement, including Supervising Guard, Guard I, II, and III as specified in the Statement of Work. Security Managers may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least two (2) years of full-time paid experience as a security supervisor in a healthcare environment, within the last three (3) years and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing direction and instruction to Post and/or patrolling Supervising Guard by making daily rounds of assigned Location(s) and maintaining Supervising Guard performance.
- Explaining post procedures under Post Orders.
- Providing Training to Supervising Guards under his/her supervision and ensuring that each Supervising Guard fully understands the duties and services to be provided.
- Being available for inspections from DHS personnel.
- Being available to Supervising Guard under his/her supervision at all times during the assigned shift.
- Providing technical and administrative advice to Supervising Guards as appropriate.
- Ensuring adequately assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard's performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and providing necessary support.
- Training applicable security guards on the use of radios and Services Sites codes.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Sites.

BACKGROUND INVESTIGATIONS:

Each Security Manager is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Security Manager or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

STATEMENT OF WORK - ATTACHMENT 7.1

MEDICAL HEALTH SCREENING:

Security Manager must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Security Managers, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Security Managers are required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Security Manager must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.2

STAFF SPECIFICATIONS – SUPERVISING GUARD

Supervising Guard (also “Supervisor”) shall be assigned to one or more Services Sites for supervision of Guards providing Services under the Agreement, including Guard I, II and III, as specified in the Statement of Work. Supervisors may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least (2) years within the last three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring adequate assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard’s performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and provide necessary support.
- Training applicable security guards on the use of radios and Services Site(s) codes.
- Conducting investigations of incidents and preparing a written memorandum of Security Incident Report (“SIR”) and submitting the SIR to the Service Site designee of County’s Project Manager by the end of the Supervisor’s shift or within twenty-four (24) hours of the incident.
- Covering applicable Post for applicable Guards during breaks, meal, and absences.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Site(s).

BACKGROUND INVESTIGATIONS:

Each Supervising Guard is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor’s staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Supervising Guard or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Supervising Guard must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Supervising Guards, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor’s staff classified as Supervising Guard are required to have a valid California Class “C” Driver’s.

STATEMENT OF WORK – ATTACHMENT 7.2

TRAINING REQUIREMENTS:

Supervising Guard must pass and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD III

Guard III shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard III will be assigned to a Post distinguished by County as a higher potential risk. Guard III may also assume a “Team Lead” role in which they will oversee an area to ensure Guards I and II are performing their duties; immediately respond to issues or concerns raised by Guards I and II related to security matters.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard III must have at least three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing supportive and a lead role in advising and assisting Guards I and II.
- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons, or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).

STATEMENT OF WORK - ATTACHMENT 7.3

- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard III is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard III or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard III must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard III, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard III may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard III must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD II

Guard II shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard II will be assigned to a Post distinguished by County as a higher potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard II must have at least one (1) year of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, render first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard II is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard II or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard II must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard II, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard II may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard II must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

STAFF SPECIFICATION - GUARD I

Guard I shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard I will be assigned to a Post distinguished by the County as a lower potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard I must be 18 years of age and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Services Sites, or a restricted area within a Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Sites.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Service Site and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluate the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by Service Sites.
- Logging activities and events on the Daily Activity Report (DAR).

BACKGROUND INVESTIGATIONS:

Each Guard I is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard I or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard I must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard I, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard I may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard I must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

EXHIBIT C
PRICING SCHEDULE

This Exhibit C (Pricing Schedule) to the Agreement sets forth the pricing and payment terms for provision of Services pursuant to the Agreement. The terms or phrases used herein without definitions shall have the meanings given to such in the Agreement, including the Statement of Work.

1.0 PRICING AND PAYMENTS

1.1 SERVICE FEES

The fees for Services ("Service Fee(s)") specified in this Pricing Schedule are the maximum amounts that shall be payable by County to Contractor for the Services provided pursuant to the Agreement. Unless amended pursuant to a duly authorized amendment to the Agreement, the Service Fees shall not increase during the term of the Agreement. Contractor shall invoice County the Service Fees for Services provided in accordance with the requirements of the Statement of Work. Unless otherwise provided in the Agreement, Service Fees shall include any and all costs and fees associated with the provision of Services.

Contractor shall provide all Services and fulfill all requirements of the Statement of Work in exchange for the Service Fees specified below.

1.2 PRICING TERMS

Pricing and reimbursement for Services provided pursuant to the Agreement shall be subject to the following terms and conditions:

Security Staff Classification	Year 1 Hourly Rate	Year 2 Hourly Rate	Year 3 Hourly Rates	Year 4 Hourly Rate	Year 5 Hourly Rate
Guard I	\$35.60	\$35.60	\$35.60	\$35.60	\$35.60
Guard II	\$36.32	\$36.32	\$36.32	\$36.32	\$36.32
Guard III	\$37.48	\$37.48	\$37.48	\$37.48	\$37.48
Supervising Guard	\$38.94	\$38.94	\$38.94	\$38.94	\$38.94
Security Manager	\$48.71	\$50.16	\$51.65	\$53.20	\$54.80
Project Manager	\$50.95	\$52.51	\$54.13	\$55.80	\$57.53
Project Director	\$62.12	\$64.07	\$66.09	\$68.19	\$70.36
Area 3: Maximum Obligation			\$45,178,360		

2.0 INVOICING

2.1 INVOICING

Terms	☒ Monthly in Arrear ☐ Monthly in Advance ☐ Other _____
Due Date	☐ 15 th of each month ☐ End of each month ☐ Other _____
Submission	To contact(s) for billing identified in Exhibit E (County's Administration) or Attachment 1 (Service Sites) under Exhibit A (Statement of Work), as applicable.

Unless otherwise instructed by County, Contractor shall submit a separate invoice for each Service Site, if any, to County's Project Manager or the Service Site PM, as applicable. All invoices submitted by Contractor shall include a billing summary of the Services provided. County and Contractor will agree on the invoice format, which shall include, at a minimum, the information specified below:

1. Invoice #
2. Invoice Date
3. Service Site, if any
4. Date of Services
5. Description of Services
6. Service Fees
7. Total invoice amount

2.2 EXPENSES

Unless specified otherwise in the Agreement or the Statement of Work, the Service Fees specified in this Pricing Schedule are the only amounts that Contractor may charge County and be reimbursed for provision of Services under the Agreement, and County shall not pay Contractor overtime premiums, travel expenses, meals, lodging, holidays, vacation, sick leave, per diem or any other expenses that may be incurred by Contractor in the course of provision of the Services.

If Contractor is authorized under the Agreement or by County to be reimbursed for expenses (mileage, parking, etc.) incurred in the course of provision of Services in addition to the Service Fees payable under the Agreement, the reimbursement rates for such expenses shall not exceed those approved by County for reimbursement to County employees.

EXHIBIT D
ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR'S NAME Inter-Con Security Systems, Inc.

COUNTY AGREEMENT NO. _____

GENERAL INFORMATION:

Contractor referenced above has entered into the County Agreement identified above (hereafter "County Agreement") to provide certain services to the County of Los Angeles (hereafter "County"). County requires Contractor to sign this Contractor Acknowledgement and Confidentiality Agreement (hereafter "Confidentiality Agreement").

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that Contractor employees, consultants, outsourced vendors, independent contractors and agents (hereafter "Contractor's Staff") that will provide services pursuant to the above referenced County Agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced County Agreement.

Contractor understands and agrees that Contractor's Staff are not employees of County for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of work under the above-referenced County Agreement. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by County and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with County. County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor understands and agrees that if it or Contractor's Staff are involved in County work, County must ensure that Contractor and Contractor's Staff will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by it or Contractor's Staff for County.

Contractor, on behalf of itself and Contractor's Staff, hereby agrees that neither it nor Contractor's will divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced County Agreement. Contractor agrees that it and Contractor's Staff shall forward to County's Project Manager all requests for the release of any data or information received.

Contractor agrees that it and Contractor's Staff shall keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from County, design concepts, algorithms, programs, formats,

documentation, Contractor's proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the County Agreement. Contractor further agrees that it and Contractor's Staff shall protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor also agrees that if proprietary information supplied by other County vendors is provided to Contractor's Staff during employment, Contractor and Contractor's Staff shall keep such information confidential during and following the term of the County Agreement.

Contractor agrees that it and Contractor's Staff shall report any and all violations of this Confidentiality Agreement by Contractor or Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor acknowledges that violation of this Confidential Agreement by Contractor or Contractor's Staff may subject Contractor and Contractor's Staff to civil and/or criminal action and that County may seek all possible legal redress.

SIGNATURE: 
PRINTED NAME: Kevin Hernandez

DATE: 4/29/2026
POSITION: Chief Strategy Officer

EXHIBIT E
COUNTY'S ADMINISTRATION

COUNTY'S PROJECT DIRECTOR

Name Julio C. Alvarado

Title Director, Contracts Administration & Monitoring

Phone (213) 288-7819

Email jalvarado@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER

Name Matthew Ohan

Title Staff Analyst, Health

Phone 562-385-6563

Email mohan@dhs.lacounty.gov

SERVICE SITE – SERVICE SITE PROJECT MANAGER / BILLING

Name Joseph Mesina

Title Fiscal Officer II

Phone 626-525-5265

Email jomesina@dhs.lacounty.gov

EXHIBIT F
CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S WEBVEN VENDOR ID: 198168

CONTRACTOR'S PROJECT DIRECTOR

Name Michael Bogosian

Title VP Operations

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email mbogosian@icsecurity.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name Kevin Hernandez

Title Chief Strategy Officer

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email KHernandez@icsecurity.com

Name Richard Stack

Title Chief Operating Officer

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email RStack@icsecurity.com

EXHIBIT G
CHARITABLE CONTRIBUTIONS CERTIFICATION

[Vendor/Contractor]: Inter-Con Security Systems, Inc

Address: 210 S. De Lacey Ave Pasadena, CA 91105

Internal Revenue Service Employer Identification Number: 95-3020192

☐ The Agency or Contractor is exempt from the California Nonprofit Integrity Act.

California Registry of Charitable Trusts "CT" number (if applicable): _____

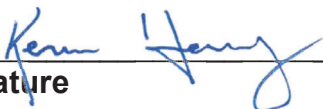
The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒ Vendor or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Vendor engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Vendor or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.



Signature

Date: 04-29-2026

Name of Signer: Kevin Hernandez

Title: Chief Strategy Officer

DEPARTMENT OF HEALTH SERVICES



AGREEMENT BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

INTER-CON SECURITY SYSTEMS, INC.

FOR

SECURITY GUARD SERVICES

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**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
INTER-CON SECURITY SYSTEMS, INC.
FOR
SECURITY GUARD SERVICES**

This Agreement, including the Exhibits, is made and entered into on the 1st day of October, 2026, (hereinafter "Effective Date") by and between the County of Los Angeles (hereinafter "County") and Inter-Con Security Systems, Inc. (hereinafter "Contractor"), located at 210 South De Lacey Ave, Pasadena, CA 91105.

RECITALS

WHEREAS, pursuant to Sections 1441 and 1445 of the California Health and Safety Code, County has established and operates, through its Department of Health Services, the facilities, premises and other service sites; and

WHEREAS, County may contract for Security Guard Services when certain requirements are met; and

WHEREAS, Contractor is a private entity specializing in the provision of Security Guard Services (hereinafter "Services") that may be solicited by County; and

WHEREAS, this Agreement is authorized pursuant to the provisions of Sections 26227 and 31000 of the California Government Code and Section 1451 of the California Health and Safety Code; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide the Services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

1.1 INTERPRETATION

The Exhibits attached to this base document (hereinafter "Base Agreement") form a part of this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule or the contents or description of any task, deliverable, goods, service or other work or otherwise between the Base Agreement and the Exhibits, or among Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Base Agreement, then to Exhibit A (Additional Provisions) (hereinafter "Additional Provisions") and then to the remaining Exhibits in alphabetical order.

Paragraph headings are utilized throughout this Agreement for convenience and reference only and are not intended to define the scope of any provision hereof.

Unless specified otherwise, any Paragraph references herein shall be made to the provisions of the Base Agreement.

1.2 ENTIRE AGREEMENT

This Agreement constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous agreements, written and oral, and all communications between the parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Paragraph 8.1 (Amendments and Modifications) and signed by both parties.

2.0 DEFINITIONS

The terms and phrases in this Paragraph, with the initial letter capitalized where applicable, whether singular or plural, whenever used in this Agreement shall have the particular meanings set forth below.

2.1 GENERAL DEFINITIONS

- 2.1.1 “Additional Services”** – shall mean the Services other than those required to be provided pursuant to the Statement of Work.
- 2.1.2 “Agreement”** – shall mean and refer to this agreement executed between County and Contractor setting forth the terms and conditions for Contractor’s performance and provision of Services as specified herein, including Exhibit B (Statement of Work).
- 2.1.3 “Board”** – shall mean County’s Board of Supervisors.
- 2.1.4 “DHS”; “Department”** – County’s Department of Health Services.
- 2.1.5 “Director”** – shall mean the Director of DHS or authorized designee.
- 2.1.6 “Fiscal Year”** – shall mean a twelve-month period beginning on July 1st and ending on June 30th of the following year.
- 2.1.7 “Pricing Schedule”** – shall mean a schedule of rates, fees and any other terms and conditions for provision of Services under the Agreement set forth in Exhibit C (Pricing Schedule) to the Agreement.
- 2.1.8 “Required Services”** – shall mean the Services described in the Statement of Work that are required to be provided by Contractor under the Agreement.
- 2.1.9 “Service Fees”** – shall mean rates and fees for provision of Services under the Agreement.
- 2.1.10 “Service Site”** – shall mean and refer to any one of County’s healthcare facilities or other sites for which Services may be provided under the Agreement, including those that may be specified in Exhibit B (Statement of Work) and any or all of those identified in <https://dhs.lacounty.gov/our-locations>, such as Medical Centers and any associated Comprehensive Health Centers, Outpatient Centers and health centers, as well as administrative offices.

- 2.1.11** “**Service Site Project Manager**; “**Service Site PM**” – shall mean and refer to any individual designated by County's Project Manager for a Service Site, as such may be identified in Exhibit E (County's Administration) to the Agreement.
- 2.1.12** “**Services**” – shall mean goods, services and any other work that may be provided by Contractor pursuant to this Agreement, including Exhibit B (Statement of Work).
- 2.1.13** “**Statement of Work**”; “**SOW**” – shall mean Contractor's obligations and other requirements for provisions of Services hereunder as set forth in Exhibit B (Statement of Work) to the Agreement, including any sub-Exhibit(s) and Attachment(s) thereto.

3.0 WORK

3.1 PERFORMANCE OF SERVICES

Pursuant to the provisions of this Agreement, Contractor shall fully perform, complete and deliver on time all tasks, deliverables and other Services as set forth herein, including Exhibit B (Statement of Work), at the rates and fees set forth in Exhibit C (Pricing Schedule).

3.2 GRATUITOUS EFFORT

If Contractor provides any tasks, deliverables, services or other work to County other than those Services specified in this Agreement or that exceed the maximum County obligation that may be allocated for such Services, such tasks, deliverables, services or other work shall be deemed a gratuitous effort on the part of Contractor, for which Contractor shall have no claim whatsoever against County.

4.0 TERM OF AGREEMENT

4.1 TERM

The term of the Agreement shall commence on the Effective Date as reflected on the top of Page 1 of this Base Agreement, following its execution by the parties, and shall continue in full force and effect for five (5) years (hereinafter "Initial Term"), with up to three (3) one-year extension options (hereinafter each "Extension Term"), unless extended or sooner terminated, in whole or in part, as provided herein.

4.2 PERFORMANCE HISTORY

County maintains databases that track/monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise a term extension option.

4.3 EXPIRATION NOTIFICATION

Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the DHS contact(s) identified in Exhibit E (County's Administration).

5.0 PAYMENTS AND INVOICING

5.1 PRICING AND PAYMENTS

5.1.1 Written Approval for Reimbursement

Contractor shall be paid under this Agreement only for the Services satisfactorily performed at the rates and fees specified in Exhibit C (Pricing Schedule). Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder. Assumption or takeover of any of Contractor's duties, responsibilities or obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with County's express prior written approval.

5.1.2 Third Party Reimbursement

Unless and to the extent otherwise expressly permitted in the Agreement, (i) Contractor shall not bill any patient or any payor for Services provided hereunder; (ii) shall consider payment by County to be payment in full for such Services; and (iii) shall assign to County rights to payment by any patient or third party payor, including Medicare and Medi-Cal, for any Services rendered pursuant to this Agreement.

5.1.3 The Agreement rates and fees ("Service Fees") shall not exceed those specified in the Pricing Schedule for each year of the Initial Term of the Agreement. Contractor may request an increase in the Service Fees for the Extension Term. Upon such request, the parties will mutually agree on an adjustment to the Service Fees pursuant to an amendment or other appropriate Agreement modification as authorized by the Board.

5.2 INVOICING

5.2.1 Submission of Invoices

Contractor's invoices for Services shall be priced and submitted in accordance with Exhibit C (Pricing Schedule) and shall contain, at a minimum, as applicable, description of the Services for which payment is claimed (tasks, deliverables, goods, services, etc.), hours worked and the Service Site(s) for which Services were provided. All invoices and supporting documentation shall be submitted to the person(s) designated in Exhibit E (County's Administration) by the 15th calendar day of the month following provision of the Services, unless otherwise stated in Exhibit C (Pricing Schedule) or required by law or County policy.

5.2.2 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of County's Project Manager, or authorized designee, for Services for which payment is claimed prior to any payment thereof. In

no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.2.3 Payment of Invoices

Provided that Contractor is not in breach of any provision of this Agreement, and it is not otherwise required by law or specified elsewhere in the Agreement, including Exhibit C (Pricing Schedule), County will pay properly submitted undisputed invoices within thirty (30) days of receipt by County. County's failure to pay within thirty (30) days or other appropriate period, however, shall not be deemed as automatic invoice approval or acceptance by County of any deliverable for which payment is sought, nor shall it entitle Contractor to impose an interest or penalty in any form on any late payment.

5.3 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

5.4 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

5.4.1 County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with County shall be Electronic Funds Transfer (hereinafter "EFT") or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (hereinafter "A-C").

5.4.2 Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and shall comply with all accounting, record keeping, and tax reporting requirements.

5.4.3 Any provision of law, grant or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

5.4.4 At any time during the duration of this Agreement, Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with

the contracting department(s), shall decide whether to approve exemption requests.

5.5 PREFERENCE PROGRAM ENTERPRISES – PROMPT PAYMENT PROGRAM

If certified in accordance with the applicable Chapter of the Los Angeles County Code as a Local Small Business Enterprise (hereinafter "LSBE"), a Social Enterprise (hereinafter "SE") or a Disabled Veterans Business Enterprise (hereinafter "DVBE") (hereinafter, each also a "Preference Program Enterprise" or "PPE"), Contractor will receive prompt payment for Services provided to County under the Agreement. Prompt payment is defined as fifteen (15) calendar days after receipt by County of a proper undisputed invoice, which has been validated against appropriate documentation, consistent with Board Policy 3.035 ([Preference Program Payment Liaison and Prompt Payment Program](#)).

6.0 ADMINISTRATION OF AGREEMENT – COUNTY

The Director, or authorized designee, shall have the authority to administer this Agreement on behalf of County and retains professional and administrative responsibility for the Services rendered under this Agreement. Other key County personnel administering the Agreement on behalf of County are referenced in the Paragraph(s) below and identified in Exhibit E (County's Administration). The key County personnel identified herein are not authorized to make changes to any of the terms or conditions of this Agreement or to further obligate County in any respect whatsoever, unless and except as may be authorized by the Board and in accordance with the terms of the Agreement, including Paragraph 8.1 (Amendments and Modifications). County will notify Contractor in writing of changes in the names or contact information specified in Exhibit E (County's Administration).

6.1 COUNTY'S PROJECT DIRECTOR

County's Project Director has the authority to negotiate and recommend all changes to this Agreement and to resolve disputes between County and Contractor.

6.2 COUNTY'S PROJECT MANAGER

County's Project Manager is County's chief contact person with respect to the day-to-day administration of this Agreement, who will be responsible for:

- Monitoring Contractor's performance of the Agreement.
- Examining the quality of any and all tasks, deliverables, goods, services and other work provided by Contractor hereunder.
- Providing direction to Contractor in the areas relating to policy, information and procedural requirements.

County's Project Manager may have a designee at any Service Site, who will be a Service Site PM for that Service Site. Unless specified otherwise, reference to County's Project Manager shall include a designee for the applicable Service Site. County's Project Manager designated for each Service Site will be the approving authority for invoices for such Service Site.

7.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

Contractor shall designate the personnel referenced in the Paragraph(s) below and identified in Exhibit F (Contractor's Administration) for administering the Agreement on behalf of Contractor. Contractor shall notify County in writing of any change in the name or contact information of any such personnel within five (5) business days of the change.

7.1 CONTRACTOR'S PROJECT DIRECTOR

Unless the Agreement is with a sole practitioner for provision of Specialty Medical Services (hereinafter "SMS") or otherwise instructed in writing by authorized County personnel, Contractor shall designate Contractor's Project Director for the term of the Agreement. Contractor's Project Director shall be responsible for Contractor's performance of and compliance with this Agreement. Contractor's Project Director shall coordinate and/or meet with County as required by County for performance of this Agreement.

7.2 CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Contractor represents and warrants that all requirements of Contractor have been fulfilled to provide actual authority to such officials for executing instruments under this Agreement on behalf of Contractor.

7.3 APPROVAL OF CONTRACTOR'S STAFF

County has the absolute right to approve or disapprove all of Contractor's staff performing Services under this Agreement, and any proposed changes in Contractor's staff, including, but not limited to, Contractor's Project Director, if any.

7.4 CONFIDENTIALITY

7.4.1 Contractor shall maintain the confidentiality of all records and information, including, but not limited to, billings, County records and patient records, in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.4.2 Furthermore, Contractor shall: (i) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (ii) promptly transmit to County all requests for disclosure of any such records or information; (iii) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the information is releasable; and (iv) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information in accordance with the written procedures that may be provided or made available to Contractor by County for this purpose.

7.4.3 Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and

volunteers, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, administrative penalties and fines assessed including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 7.4, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

7.4.4 Contractor shall inform all of its officers, employees, agents and subcontractors providing that may provide Services under this Agreement of the confidentiality and indemnification provisions of this Agreement.

7.4.5 Contractor shall sign and adhere to the provisions of Exhibit D (Acknowledgement and Confidentiality Agreement) on behalf of itself and all of its employees, subcontractors, agents and other persons who may provide work for or on behalf of Contractor under the Agreement.

7.5 STAFF PERFORMANCE UNDER THE INFLUENCE

Contractor shall not knowingly permit any employee to perform Services under this Agreement while under the influence of any alcoholic beverage, medication, narcotic or other substance which might impair physical or mental performance.

8.0 STANDARD TERMS AND CONDITIONS

8.1 AMENDMENTS AND MODIFICATIONS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes to any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph below.

8.1.1 For any change which materially affects any term or condition of this Agreement, an Amendment to the Agreement, shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.1.2 For any change that does not materially affect any term or condition of this Agreement, a modification to the Agreement (Administrative Amendment, Change Notice, Change Order, etc.) shall be prepared by County and signed by Contractor.

8.1.3 The Board or County's Chief Executive Officer (hereinafter "CEO"), or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement. County reserves the right to add and/or change such provisions as required by the Board, the CEO, or authorized designee. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

- 8.1.4** The Director, or authorized designee, may require, during the term of this Agreement, the addition and/or change of certain terms and conditions in the Agreement to conform to changes in Federal and/or State law or regulation. County reserves the right to add and/or change such provisions as required by law or regulation to preserve this Agreement's conformity and compliance to Federal and/or State law or regulation. To implement such changes, an Amendment to the Agreement shall be prepared by County and executed by Contractor and County as authorized by the Board.

8.2 ASSIGNMENT AND DELEGATION

- 8.2.1** Contractor shall notify County of any pending acquisitions/mergers of its entity unless otherwise legally prohibited from doing so. If Contractor is restricted from legally notifying County of pending acquisitions/mergers, then it should notify County of the actual acquisitions/mergers as soon as the law allows and provide to County the legal framework that restricted it from notifying County prior to the actual acquisitions/mergers.
- 8.2.2** 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 the 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.
- 8.2.3** Any assumption, assignment, delegation or takeover of any of Contractor's duties, responsibilities or obligations or performance of same by any entity other than 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 the 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.

8.3 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.

8.4 BUDGET REDUCTIONS

In the event that County's Board adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County

employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by Contractor under this Agreement will also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor must continue to provide all of the services set forth in this Agreement.

8.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS (2 C.F.R. PART 376)

Contractor hereby acknowledges that 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, other principals, employees or independent contractors 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 owners, officers, partners, directors, other principals, employees or independent contractors 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 the aforementioned parties either be suspended, debarred, ineligible or excluded from securing Federally funded contracts. Contractor shall reimburse County for any and all associated costs (repayment, fine and/or penalty) that may be incurred by County as a result of inappropriate claims submitted by or on behalf of one of its staff or vendors that was excluded or suspended regardless of Contractor's prior knowledge of such exclusion or suspension. Failure by Contractor to comply with this provision shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

8.6 COMPLAINTS

Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

- 8.6.1** Within ten (10) business days of the Effective Date of this Agreement, Contractor shall provide to County with Contractor's policy for receiving, investigating and responding to user complaints.
- 8.6.2** County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.
- 8.6.3** If County requests changes to Contractor's policy, then Contractor shall make such changes and resubmit the plan within ten (10) business days to County for approval.

- 8.6.4** If, at any time, Contractor wishes to change its policy regarding complaints, Contractor shall submit proposed changes to County for approval prior to implementing the changes.
- 8.6.5** Contractor shall preliminarily investigate all complaints and notify County's Project Manager, or authorized designee, of the status of the investigation within fifteen (15) business days of receiving the complaint.
- 8.6.6** When complaints cannot be resolved informally, a system of follow-through shall be instituted, which shall adhere to formal plans for specific actions and strict time deadlines.
- 8.6.7** Copies of all written responses shall be sent to County's Project Manager, or authorized designee, within fifteen (15) business days of being mailed to the complainant.

8.7 COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

- 8.7.1** In the performance of this Agreement, Contractor shall comply with all current and applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to, standards of The Joint Commission, its National Patient Safety Goals, California Code of Regulations, Title 22, Division 5 regulations and all other applicable industry best practices standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.
- 8.7.2** Contractor shall indemnify, defend, and hold harmless County, its officers, employees, agents and volunteers from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, its officers, employees, agents or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies or procedures, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.7.3 Facility Rules and Regulations

At any time that Contractor's agents, employees or subcontractors are at a Service Site or other County facility for provision of Services under this Agreement, Contractor and such persons shall be subject to the rules and regulations of that facility. County will provide or make available to Contractor a copy of rules and regulations pertaining to the facility upon execution of this Agreement and updates during its term. It is the responsibility of Contractor to acquaint all persons who may provide Services hereunder with such rules and regulations. Contractor agrees to immediately and permanently withdraw any of its employees or subcontractors from the provision of Services hereunder upon receipt of written notice from the Director that: (i) such employee or subcontractor has violated such rules or regulations, or (ii) such

employee's or subcontractor's actions while at the County facility may adversely affect the delivery of health care services to County patients.

8.8 COMPLIANCE WITH CIVIL RIGHTS LAWS – ANTI-DISCRIMINATION AND AFFIRMATIVE ACTION LAWS

8.8.1 Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment & Housing Act, Government Code Section 12920-12922; and Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.

8.8.2 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations

8.8.3 Contractor certifies to County each of the following:

- a)** That Contractor has a written policy statement prohibiting discrimination in all phases of employment.
- b)** That Contractor periodically conducts a self-analysis or utilization analysis of its work force.
- c)** That Contractor has a system for determining if its employment practices are discriminatory against protected groups.
- d)** Where problem areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goals or timetables.

8.8.4 Contractor shall take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such actions shall include, but are not limited to, employment, upgrading, demotion, transfer, recruitment and recruitment advertising, layoff and termination,

rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 8.8.5** Contractor certifies and agrees that it will deal with its subcontractors, bidders and vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation.
- 8.8.6** Contractor certifies and agrees that it, its affiliates, subsidiaries and holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, marital status, military and veteran status or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program or activity supported by this Agreement.
- 8.8.7** Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.7 when so requested by County.
- 8.8.8** If County finds that any provisions of this Paragraph 8.7 have been violated, such violation shall constitute a material breach of this Agreement, upon which County may terminate or suspend this Agreement. While 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 Federal or State anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 8.8.9** The parties agree that in the event that Contractor violates any of the anti-discrimination provisions of this Agreement, County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) from Contractor for each such violation, pursuant to California Civil Code Section 1671, as liquidated damages in lieu of terminating or suspending this Agreement.

8.9 COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

8.9.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereinafter "Jury Service Program"), as codified in [Sections 2.203.010 through 2.203.090 of the Los Angeles County Code](#).

8.9.2 Written Employee Jury Service Policy

- a) Unless Contractor has demonstrated to 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 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 Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.
- b) For purposes of this Paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with 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 contracts 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: (i) the lesser number is a recognized industry standard as determined by County, or (ii) 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 a subcontractor to perform Services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph. The provisions of this Paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to such agreement.
- c) 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 Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to 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.

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

8.10 CONFLICT OF INTEREST

8.10.1 No County employee whose position with 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 other direct or indirect financial interest in this Agreement. No officer or employee of Contractor who may financially benefit from the performance of work hereunder shall in any way participate in County's approval, or ongoing evaluation, of such work or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

8.10.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts that create a conflict of interest. If Contractor hereafter becomes aware of any facts that 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, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph 8.9 shall be a material breach of this Agreement.

8.11 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF OR ON A COUNTY RE-EMPLOYMENT 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 re-employment list during the term of this Agreement.

8.12 CONSIDERATION OF HIRING GAIN/ START PARTICIPANTS

8.12.1 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 County's Department of Public Social Services (hereinafter "DPSS") Greater Avenues for Independence (hereinafter "GAIN") Program or Skills and Training to Achieve Readiness for Tomorrow (hereinafter "START") Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/START participants by job category to Contractor. Contractor shall report all job openings with job requirements to: gainstart@dpss.lacounty.gov and

bservices@opportunity.lacounty.gov; and DPSS will refer qualified GAIN/START job candidates.

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

8.13 CONTRACTOR RESPONSIBILITY AND DEBARMENT

8.13.1 Responsible Contractor

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

8.13.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with [Chapter 2.202 of the County Code](#), if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

8.13.3 Non-responsible Contractor

County may debar Contractor if County's Board of Supervisors (hereinafter "Board") finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity or a nonprofit corporation created by 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 County or any other public entity.

8.13.4 Contractor Hearing Board

- a) If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- b) The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or 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 Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

- c) 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 Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- d) If 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. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (i) elimination of the grounds for which the debarment was imposed; (ii) a bona fide change in ownership or management; (iii) material evidence discovered after debarment was imposed; or (iv) any other reason that is in the best interests of County.
- e) The Contractor Hearing Board will consider a request for review of a debarment determination only where (a) Contractor has been debarred for a period longer than five (5) years; (b) the debarment has been in effect for at least five (5) years; and (c) 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.
- f) 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. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.13.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of Contractor.

8.14 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

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

8.15 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.15.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contracts 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.

8.15.2 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 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding 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).

8.16 CONTRACTOR'S EXCLUSION FROM PARTICIPATING IN A FEDERALLY FUNDED PROGRAM

8.16.1 Contractor hereby warrants that neither it nor any of its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors is restricted or excluded from providing services under any health care program funded by the Federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that Contractor will notify the Director within ten (10) calendar days in writing of: (i) any event that would require Contractor or any aforementioned parties mandatory exclusion or suspension from participation in a Federally funded health care program; and (ii) any exclusionary or suspension action taken by any agency of the Federal or State governments against any of the aforementioned parties barring these parties from participating in a Federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

- 8.16.2** Contractor shall indemnify and hold County harmless against any and all loss or damage County may suffer arising from any exclusion or suspension of Contractor or its subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a Federally funded health care program, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.
- 8.16.3** Failure by Contractor to meet the requirements of this Paragraph shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

8.17 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will monitor Contractor's performance under this Agreement, which will include assessing Contractor's compliance with all Agreement terms and conditions and performance standards, as further specified in Exhibit B (Statement of Work). Contractor deficiencies which 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 and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by 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 the Agreement.

8.18 DAMAGE TO COUNTY FACILITIES, BUILDINGS AND GROUNDS

- 8.18.1** Contractor shall repair, or cause to be repaired, at its own cost and expense, any and all damage other than normal wear and tear to County facilities, buildings or grounds caused by Contractor or employees, agents or subcontractors of Contractor during performance of Services under this Agreement. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 8.18.2** If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand.
- 8.18.3** County reserves the unilateral right to make any repairs which the Director or authorized designee determines, upon sole discretion, to be a public safety issue requiring immediate repair. County, at its option, will bill Contractor for the cost of such repairs and/or deduct the cost of such repairs from any outstanding amounts owed by County to Contractor.

8.19 EMPLOYMENT ELIGIBILITY VERIFICATION

- 8.19.1** Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Agreement meet

the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain from all employees performing work hereunder all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

- 8.19.2** Contractor shall indemnify, defend, and hold harmless, County, its agents, officers, employees and volunteers from employer sanctions and any other liability which may be assessed against Contractor or County, or both, in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.20 COUNTERPARTS; ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Agreement and any Amendments or modifications thereto may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

County and Contractor hereby agree to regard appropriate facsimile or digital representations of original signatures of authorized officers of each party on the Agreement related documents, received via an electronic communicative (facsimile, email or electronic signature), as legally sufficient evidence that legally binding signatures have been affixed to such documents.

8.21 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 and its agents, officers, employees and volunteers 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 work performed by Contractor's employees, for which County may be found jointly or solely liable, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.22 FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I)) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of Services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorized representatives, the agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of Services provided 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 twelve (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.

8.23 PERFORMANCE DURING EMERGENCIES/FORCE MAJEURE EVENTS

Contractor recognizes that healthcare facilities maintained by County, including the Service Sites, provide care essential to the residents of the communities they serve and that these Service Sites may be of particular importance at the time of a fire, flood, epidemic, quarantine restriction, riot, insurrection, civil unrest, natural disaster/occurrence, strike, lockout, freight embargo or other similar event (hereinafter in this Paragraph each such event is referred to as an "emergency" or "force majeure event").

Notwithstanding any other provision of this Agreement, full performance by Contractor during any emergency is not excused if such performance remains physically possible, unless otherwise directed by County. Failure by Contractor to comply with this requirement shall be considered a material breach by Contractor, for which County may immediately terminate this Agreement.

In the event Contractor's failure to perform arises as a result of an emergency, 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 delays caused by such emergency/force majeure event.

8.24 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 Los Angeles County.

8.25 PROTECTION OF MEDICAL INFORMATION

8.25.1 Health Insurance Portability and Accountability Act Compliance

Contractor acknowledges the existence of the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA") and its implementing regulations. Contractor further acknowledges and agrees that, as a provider of Services under this Agreement, it has obligations with respect to the confidentiality, privacy and security of patient' medical information (also, "PHI" under HIPAA) and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

Contractor, therefore, agrees that (a) it and any staff providing Services under this Agreement shall preserve the confidentiality of PHI and shall comply with all other obligations and provisions relating to HIPAA that may be specified herein, including Exhibit A (Additional Provisions) to the Agreement, and (b) it shall indemnify and hold harmless County

(including its officers, employees, agents and volunteers) for any damages to County that may be attributable to failure to preserve the confidentiality of PHI or to comply with the applicable obligations under HIPAA, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.25.2 Confidentiality of Medical Information Act

Contractor acknowledges that County is subject to the Confidentiality of Medical Information Act (hereinafter "CMIA"), which protects the confidentiality of individually identifiable medical information obtained by health care providers. As a contractor of County, Contractor, therefore, agrees to comply with the CMIA and shall not disclose any stored or accessible medical information regarding a patient, enrollee or subscriber.

8.25.3 Remedies

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.25 shall constitute a material breach of this Agreement, upon which County may suspend or terminate the Agreement for default, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 25 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

8.26 INDEPENDENT CONTRACTOR STATUS

8.26.1 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.

8.26.2 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. Consistent with the foregoing, County shall have no liability, and Contractor shall be solely and fully liable and responsible, to any of Contractor's employees, subcontractors or other persons providing work under this Agreement on behalf of Contractor, if any such person is unable to work or is required to stop working

(permanently or temporarily) as a result of the person's exposure to an infectious disease or other hazard while performing work pursuant to the Agreement, even if such person complied with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including those relating to the work site. Nothing in this Paragraph is intended in any way to alter or release Contractor from obligation to obtain and maintain the requisite workers' compensation coverage pursuant to Paragraph 8.29.3 (Workers' Compensation and Employers' Liability) below.

8.26.3 Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely 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 work performed by or on behalf of Contractor pursuant to this Agreement.

8.26.4 Contractor shall adhere to the provisions of Paragraph 7.5 (Confidentiality).

8.27 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers (hereinafter "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 Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

Any legal defense pursuant to Contractor's indemnification obligations under the Agreement shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its reasonable judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

8.28 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, during the term of the Agreement, coverage satisfying the requirements specified in this Paragraph 8.28 and Paragraph 8.29 (Insurance Coverage) below. These minimum insurance coverage terms, types and limits (hereinafter "Required Insurance") also are in addition to and separate from any other contractual obligations imposed

upon Contractor pursuant to this Agreement, including those that may be specified in Exhibit A (Additional Provisions) to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Agreement.

8.28.1 Evidence of Coverage and Notice to County

- a) Certificate(s) of insurance coverage (hereinafter "Certificate") satisfactory to County and a copy of an Additional Insured endorsement confirming County and its Agents (as defined below) has been given Insured status under Contractor's General Liability policy shall be delivered to County at the email address specified 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. 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 must match the name of 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 County's failure to obtain, nor 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 Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.
- e) Certificates and copies of any required endorsements shall be emailed to the County of Los Angeles, Department of Health Services, Contracts and Grants Division, as the Certificate Holder at:

cgcontractorinsurance@dhs.lacounty.gov
- f) 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 subcontractors which arises from or relates to this Agreement and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.28.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (hereinafter 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 County. County's and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed 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.

8.28.3 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 ten (10) days in advance of cancellation for non-payment of premium and thirty (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 this Agreement, in the sole discretion of County, upon which County may suspend or terminate this Agreement.

8.28.4 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 this Agreement, upon which County immediately may withhold payments due to Contractor and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, 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.

8.28.5 Insurer Financial Ratings

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

8.28.6 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.

8.28.7 Waivers of Subrogation

To the fullest extent permitted by law, 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. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.28.8 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 that each subcontractor complies with the Required Insurance provisions herein and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and written approval of any subcontractor request for modification of the Required Insurance.

8.28.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects 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.

8.28.10 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 no less than three (3) years following the Agreement's expiration, termination or cancellation.

8.28.11 Application of Excess Liability Coverage

Contractor 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.

8.28.12 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.

8.28.13 Alternative Risk Financing Programs

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. County and its Agents shall be designated as an Additional Covered Party under any approved program.

8.28.14 County Review and Approval of Insurance Requirements

County reserves the right to review and adjust the Required Insurance provisions based on County's determination of changes in risk exposures.

8.29 INSURANCE COVERAGE

Contractor shall obtain and maintain for the term of the Agreement the insurance programs and coverages as specified in this Paragraph below.

8.29.1 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:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.29.2 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.

8.29.3 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 County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (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.

8.30 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement, all valid licenses, permits, registrations, accreditations, and certificates required by law which are applicable to its performance of this Agreement, and shall ensure that all of its officers, employees and agents that perform Services under this Agreement obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations, accreditations and certificates required by law, which are applicable to their performance of Services hereunder. All such licenses, permits, registrations, accreditations and certifications relating to Services hereunder shall be made available by Contractor to County upon request, unless stated otherwise in the Statement of Work or instructed by County.

8.31 LIQUIDATED DAMAGES

8.31.1 If, in the judgment of the Director, or authorized designee, Contractor is deemed to be non-compliant with the terms or obligations assumed hereby, the Director, or authorized designee, upon sole discretion, in addition to and/or in lieu of other remedies provided herein, may withhold or deduct from the payments due to Contractor by County or otherwise withhold certain amount(s) for deficiently performed Services, including delays, as specified in this Paragraph below. A description of the deficiencies and the amount(s) to be deducted from payments due to Contractor or otherwise withheld will be provided to Contractor by the Director, or authorized designee, in a written notice describing the reasons for such action.

8.31.2 If the Director, or authorized designee, determines that there are deficiencies in the performance of this Agreement, which in the judgment of the Director, or authorized designee, are deemed correctable by Contractor within a reasonably short period of time, the Director, or authorized designee, will provide a written notice to Contractor to correct the deficiencies within a specified time frame. Should Contractor fail to correct deficiencies within such time frame, the Director may:

a) To the extent applicable, deduct applicable pro rata portions of the amounts payable to Contractor; and/or

b) Deduct Liquidated Damages

The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of Contractor to correct the deficiencies within the specified time frame. The parties, therefore, hereby agree that, under the current circumstances, a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction, and Contractor shall be liable to County for liquidated damages in such amount. Any liquidated damages assessed by County

under the Agreement shall be deducted or otherwise withheld from County's payments due to Contractor; and/or

- c) Upon five (5) days' prior notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and deduct from County's payments due to Contractor or otherwise withhold the total costs incurred by County for completion of the work by an alternate source, whether by County or a County engaged third party, as determined by County.

8.31.3 Assessment by County of liquidated damages as described in this Paragraph above shall not be construed as a penalty, but as adjustment of payment(s) to Contractor for County's recovery of the costs due to the failure of Contractor to complete or comply with the provisions of this Agreement.

8.31.4 This Paragraph shall not, in any manner, restrict or limit County's right to damages for any breach of this Agreement provided by law or as otherwise specified in the Agreement and shall not, in any manner, restrict or limit County's right to terminate this Agreement.

8.32 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline or Contractor provides at any time during the term of this Agreement the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality or district of the State at prices below those set forth in the Agreement, then such lower prices shall be immediately extended to County.

8.33 NON-EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.34 NOTICE OF DELAYS

Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.35 NOTICE OF DISPUTES

Contractor shall bring to the attention of County's Project Manager, or authorized designee, any dispute between County and Contractor regarding the performance of Services. If such individual is not able to resolve the dispute on behalf of County, the dispute shall be escalated for resolution to County's Project Director, or authorized designee.

8.36 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 No. 1015.

8.37 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

Contractor shall notify and provide to its employees and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County and where and how to safely surrender a baby. Posters and other campaign materials are available on the Internet at babysafela.org.

8.38 NOTICES

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be mailed by first-class registered or certified mail, postage prepaid, or emailed to the applicable contacts identified in Exhibit E (County's Administration) and Exhibit F (Contractor's Administration). Contact information may be changed by either party by provision of a ten (10) days' prior written notice thereof to the other party.

8.39 PROHIBITION AGAINST INDUCEMENT AND PERSUASION

Notwithstanding any other provision of this Agreement, Contractor and County agree that, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.40 PUBLIC RECORDS ACT

8.40.1 Any documents submitted by Contractor; all information obtained in connection with County's right to audit and inspect Contractor's documents, books and accounting records provided pursuant to Paragraph 8.42 (Record Retention and Inspection/Audit Settlement) of this Agreement; as well as any documents that may have been submitted in response to a solicitation resulting in this Agreement, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements identified in the [California Government Code Section 7921 et seq.](#) (hereinafter "Public Records Act") and which are marked "trade secret", "confidential" or "proprietary". 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.

8.40.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records and/or contents of any response to a solicitation resulting in this Agreement, which is marked as "trade secret", "confidential" or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or

liability arising under the Public Records Act, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.41 PUBLICITY

8.41.1 Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under this Agreement within the following conditions:

- a) Contractor shall develop all publicity material in a professional manner; and
- b) During the term of this Agreement, Contractor shall not, and shall not authorize any others to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the Director, or authorized designee. County will not unreasonably withhold its consent.

8.41.2 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 8.41 shall apply.

8.42 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

8.42.1 Contractor shall maintain and, upon County's request, provide accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement, during the term of the Agreement and for a minimum of five (5) years following its expiration or termination (hereinafter in this Paragraph 8.42 "retention period").

8.42.2 Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy and transcribe any pertinent transaction, activity or record relating to this Agreement, including (hereinafter for purposes of this Paragraph 8.42 "records"). All such records, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County during the term of this Agreement and for the duration of the retention period thereafter, unless County's written permission is given to dispose of any such records prior to such time. All such records shall be maintained by Contractor at a location in Los Angeles County, provided that if any such records are located outside Los Angeles County, then, at County's option, Contractor shall pay County for travel, per diem and any other

costs incurred by County to examine, audit, excerpt, copy and/or transcribe such records at such location outside of Los Angeles County.

In the event such records are maintained by Contractor at a location outside of Los Angeles County or if permitted by County, Contractor may satisfy the requirements of this Paragraph 8.42.2 by transmitting the records to County electronically, provided that (i) Contractor shall encrypt all records transmitted on networks outside of Contractor's control with Transport Layer Security (hereinafter "TLS") 1.2 or higher or Internet Protocol Security (hereinafter "IPSec"), at a minimum, cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer, or authorized designee, and (ii) all such records shall be rendered unusable, unreadable and indecipherable to unauthorized individuals. The parties may also agree on an alternate method of providing the requested records to County.

- 8.42.3** In the event that an audit of Contractor is conducted specifically regarding this Agreement by any Federal or State auditor or by any auditor or accountant employed by Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then Contractor shall file a copy of each such audit report, including Service Organization Controls (hereinafter "SOC1") Reports, with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. Subject to applicable law, County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 8.42.4** Failure on the part of Contractor to comply with any of the provisions of this Paragraph 8.42 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.
- 8.42.5** If, at any time during the term of this Agreement or during the retention period after the expiration or termination of this Agreement, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that County's dollar liability for any such work is less than payments made by County to Contractor, then the difference shall be either: (a) prepaid by Contractor to County by cash payment upon demand or (b) at the sole option of County's Auditor-Controller, deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. If such audit finds that County's dollar liability for such work is more than the payments made by County to Contractor for the work, then the difference shall be paid to Contractor by County by cash payment, provided that in no event shall County's maximum obligation for the provision of such work exceed the funds appropriated by County for the work.

8.43 RECYCLED BOND PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

8.44 RESTRICTIONS ON LOBBYING

If any Federal funds are to be used to pay for 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 provided under this Agreement also fully complies with all such certification and disclosure requirements.

8.45 SUBCONTRACTING

8.45.1 County has relied, in entering into this Agreement, on the reputation of and on obtaining the personal performance of Contractor. Consequently, no performance by Contractor of this Agreement may be subcontracted **without the advance written approval of County**. Any attempt by Contractor to subcontract without the prior written consent of County may be deemed a material breach of this Agreement.

8.45.2 If Contractor desires to subcontract, Contractor shall provide to County the following:

- a)** A detailed description of the work to be performed by the proposed subcontractor;
- b)** A draft copy of the proposed subcontract, unless otherwise instructed by County; and
- c)** Other pertinent information and/or certifications requested by County.

8.45.3 Notwithstanding any provision of this Agreement to the contrary, Contractor shall indemnify, defend and hold harmless County, including its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, defense costs and legal, accounting or other expert consulting or professional fees, in any way arising from or related to Contractor's use of any subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.45.4 Notwithstanding County's consent to subcontract, in addition to the provisions under the Agreement that specifically apply to subcontractors, Contractor shall ensure that each subcontractor engaged for provision of Services hereunder complies with the following provisions:

- a)** Base Agreement – Paragraph 7.4 (Confidentiality)

- b) Base Agreement – Paragraph 8.6 (Compliance with Applicable Laws, Rules and Regulations)
- c) Base Agreement – Paragraph 8.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws)
- d) Base Agreement – Paragraph 9 (Conflict of Interest)
- e) Base Agreement – Paragraph 8.18 (Damage to County Facilities, Buildings and Grounds)
- f) Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- g) Base Agreement – Paragraph 27 (Indemnification)
- h) Base Agreement – Paragraph 28 (General Provisions for all Insurance Requirements)
- i) Base Agreement – Paragraph 29 (Insurance Coverage)
- j) Base Agreement – Paragraph 8.30 (Licenses, Permits, Registrations, Accreditations and Certificates)
- k) Base Agreement – Paragraph 41 (Publicity)
- l) Base Agreement – Paragraph 42 (Record Retention and Inspection/ Audit Settlement)
- m) Base Agreement – Paragraph 56 (Unlawful Solicitation)
- n) Base Agreement – Paragraph 63 (Prohibition from Participation in Future Solicitations)
- o) Exhibit A (Additional Provisions) – Attachment 1 (HIPAA Compliance)
- p) Exhibit D (Acknowledgement and Confidentiality Agreement)

8.45.5 Contractor shall ensure that each proposed subcontractor is appropriately qualified for provision of Services for which subcontractor is being engaged and shall remain fully responsible for all performances required of Contractor under this Agreement, including those that Contractor has determined to subcontract, notwithstanding County's approval of Contractor's proposed subcontract. Furthermore, subcontracting of any Services under this Agreement shall not be construed to limit, in any way, Contractor's performance, obligations or responsibilities to County or limit, in any way, any of County's rights or remedies contained in this Agreement.

8.45.6 County's consent to subcontract shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor is responsible to notify its subcontractors of this County right.

8.45.7 The Director, or designee, is authorized to act for and on behalf of County with respect to approval of any subcontract and subcontractor

employees. After approval of the subcontract by County, Contractor shall forward a fully executed subcontract to County for its files.

8.45.8 Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents and successors in interest arising through Services performed hereunder, notwithstanding County's consent to subcontract.

8.45.9 Contractor shall obtain certificates of insurance, which establish that either (i) the proposed subcontractor maintains all the programs of insurance required under this Agreement, or (ii) Contractor has procured such insurance coverage for the proposed subcontractor. Before any subcontractor employee may perform any work hereunder, Contractor shall ensure delivery of all such documents to:

cgcontractorinsurance@dhs.lacounty.gov.

8.46 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 Paragraph 8.15 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) will constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within ninety (90) calendar days of written notice will be grounds upon which County may terminate this Agreement pursuant to Paragraph 8.49 (Termination for Default) and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.202](#).

8.47 TERMINATION FOR CONVENIENCE

County may terminate or suspend this Agreement, in whole or in part, from time to time or permanently, when such action is deemed by County, in its sole discretion, to be in its best interest. Termination/suspension of work hereunder shall be effected by notice to Contractor specifying the extent to which performance of work is terminated/suspended and the date upon which such termination/suspension will become effective, which will be no less than ten (10) days after the notice is provided. Contractor shall be subject to the requirements of Paragraph 8.54 (Effect of Termination) in the event of County's termination and, to the extent applicable, suspension of this Agreement as provided herein.

8.48 TERMINATION FOR DEFAULT

8.48.1 County may, by written notice to Contractor, terminate the whole or any part of this Agreement if, in the judgment of the Director or designee:

- a) Contractor has materially breached this Agreement;
- b) Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service or other work required under this Agreement; or
- c) Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement or of any obligations of this Agreement and, in either case, fails to

demonstrate convincing progress toward a cure within five (5) working days (or such longer period as County may authorize in writing) after receipt of written notice from County specifying such failure; or

- d) Contractor or any of its personnel providing Services under the Agreement (i) fail to comply with any directions or instructions by or on behalf of County issued pursuant to the Agreement or (ii) may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

8.48.2 In the event that County terminates this Agreement in whole or in part as provided in Paragraph 8.49.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Paragraph.

8.48.3 Except with respect to defaults of any subcontractor, Contractor shall not be liable for any such excess costs of the type identified in Paragraph 8.49.2 if its failure to perform this Agreement arises out of a force majeure event (as defined in Paragraph 23 (Performance During Emergencies/Force Majeure Events)); but in every case, the failure to perform must be beyond the control and without the fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor and if such default arises out of causes beyond the control of both Contractor and subcontractor and without the fault or negligence of either of them, then Contractor shall not be liable for any such excess costs 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 the required performance schedule. As used in this Paragraph 8.49.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.48.4 If, after County has given notice of termination under the provisions of this Paragraph 8.49, it is determined by County that Contractor was not in default under the provisions of this Paragraph 8.49 or that the default was excusable under the provisions of Paragraph 8.49.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 8.48 (Termination for Convenience).

8.48.5 The rights and remedies of County provided in this Paragraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.49 TERMINATION FOR IMPROPER CONSIDERATION

8.49.1 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 this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to Contractor's performance pursuant to 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.

8.49.2 Contractor shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made to the County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

8.50 TERMINATION FOR INSOLVENCY

8.50.1 County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

a) Insolvency of Contractor

Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (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;

b) The filing of a voluntary or involuntary petition regarding Contractor under the Federal Bankruptcy Code;

c) The appointment of a Receiver or Trustee for Contractor; or

d) The execution by Contractor of a general assignment for the benefit of creditors.

8.50.2 The rights and remedies of County provided in this Paragraph 8.51 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.51 TERMINATION FOR NON-ADHERENCE TO COUNTY LOBBYIST ORDINANCE

Contractor, and each County Lobbyist or County Lobbying firm as defined in [County Code Section 2.160.010](#), retained by Contractor, shall fully comply with County's Lobbyist Ordinance under [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, in its sole discretion, immediately terminate or suspend this Agreement.

8.52 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until the Board appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.53 EFFECT OF TERMINATION

8.53.1 In the event of termination of this Agreement as provided hereunder or upon the expiration of the Agreement, as applicable, and unless otherwise specified by County in writing:

- a) Contractor shall continue the performance of this Agreement to the extent not terminated;
- b) Contractor shall cease to perform the Services being terminated on the date and to the extent specified in such notice and provide to County all Services and/or deliverables completed and those in progress on a media reasonably requested by County, if applicable;
- c) Where such termination is not due to default or breach by Contractor, County will pay to Contractor all sums due for Services properly performed through the effective date of such expiration or termination;
- d) Contractor shall return to County any monies paid in advance by County, yet unearned by Contractor, including any prepaid fees, no later than thirty (30) days after the date of County's termination of this Agreement, whether for convenience or any default or breach hereunder; and
- e) Contractor shall promptly return to County any and all of County's confidential information that relates to the portion of the Agreement terminated by County on a media reasonably requested by County.

8.53.2 After receipt of a notice of termination and except as otherwise directed by County, Contractor shall immediately:

- a) Stop work under this Agreement, as identified in such notice;
- b) Transfer title and deliver to County all completed work and work in process; and
- c) Complete performance of such part of the work as shall not have been terminated by such notice.

8.53.3 Following expiration or any termination of this Agreement, Contractor shall maintain all material including books, records, documents and any

other evidence bearing on the costs and expenses of Contractor under this Agreement, in accordance with Paragraph 8.42 (Record Retention and Inspection/Audit Settlement).

- 8.53.4** Expiration or termination of this Agreement for any reason will not release either party from any liabilities or obligations set forth in this Agreement, which (i) the parties have expressly agreed in writing will survive any such expiration or termination, or (ii) which remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.54 INTENTIONALLY OMITTED

8.55 VALIDITY AND ENFORCEABILITY

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, unenforceable or illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, and any part of the Agreement held to be invalid or unenforceable shall be revised so as to make it valid and enforceable, consistent with the intent of the parties expressed in that provision. The rights and remedies provided herein shall not be exclusive and are in addition to any other rights and remedies in law or equity.

8.56 WAIVER

No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or 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 8.58 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.57 WARRANTY AGAINST CONTINGENT FEES

- 8.57.1** 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 a 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.

- 8.57.2** For breach of this warranty, County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the amounts due to Contractor or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

8.58 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 8.58.1** 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.

- 8.58.2** 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 Agreement will maintain compliance, with [Los Angeles Code Chapter 2.206](#).

8.59 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure by Contractor to maintain compliance with the requirements set forth in Paragraph 8.16 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure by Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor pursuant to [County Code Chapter 2.206](#).

8.60 TIME OFF FOR VOTING

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](#)). No less than ten (10) days before every statewide election, 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 such [Section 14000](#).

8.61 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

- 8.61.1** Contractor acknowledges that County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

- 8.61.2** If Contractor or a member of Contractor's staff is convicted of a human trafficking offense, County shall require that Contractor or such member of Contractor's staff be removed immediately from performing services under this Agreement. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

- 8.61.3** Disqualification of any member of Contractor's staff pursuant to this Paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.62 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

Contractor shall comply and ensure that all of its subcontractors comply with fair chance employment hiring practices set forth in [California Government Code Section 12952](#), Employment Discrimination: Conviction History. Contractor's violation of this Paragraph of the Agreement may constitute a material breach of

the Agreement, upon which County may, in its sole discretion, terminate this Agreement.

8.63 COMPLIANCE WITH COUNTY POLICY OF EQUITY

Contractor acknowledges that County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (hereinafter "CPOE") (<https://ceop.lacounty.gov/>). Contractor further acknowledges that County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. Contractor, on behalf of itself, its employees and subcontractors, acknowledges and certifies receipt and understanding of the CPOE. Failure by Contractor, its employees or its subcontractors to uphold County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject Contractor to termination of contractual agreements as well as civil liability.

8.64 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATIONS

A bidder, proposer or other respondent to a County solicitation or Contractor, as applicable, or a subsidiary or subcontractor thereof (hereinafter for purposes of this provision "Vendor"), is prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has provided advice or consultation for the solicitation. A Vendor is also prohibited from submitting a bid, proposal or other response to a County solicitation if the Vendor has developed or prepared any of the solicitation materials on behalf of County. A violation of this provision shall result in the disqualification of the Vendor from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration or other termination of this Agreement.

8.65 INJURY AND ILLNESS PREVENTION PROGRAM

Contractor will be required to comply with the State of California's Cal OSHA's regulations. [California Code of Regulations Title 8 Section 3203](#) requires all California employers to have a written, effective Injury and Illness Prevention Program (hereinafter "IIPP") that addresses hazards pertaining to the particular workplace covered by such program.

8.66 CAMPAIGN CONTRIBUTION PROHIBITION

Pursuant to California [Government Code Section 84308](#), Contractor and its agents and subcontractors are prohibited from making a contribution of more than \$250 to any County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement.

By executing this Agreement, Contractor represents and warrants that neither it nor any of its agents or subcontractors shall make a contribution of more than \$250 to any County officer for twelve (12) months following the Effective Date of the Agreement.

Failure to comply with the provisions of California [Government Code Section 84308](#) and of this Paragraph may be a material breach of the Agreement as determined in the sole discretion of County.

8.67 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary under this Agreement.

8.68 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 Contractor and other County contractors to complete Exhibit G (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect County and its taxpayers. Any contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either Agreement termination or debarment proceedings or both. (County Code Chapter 2.202).

8.69 INTELLECTUAL PROPERTY INDEMNIFICATION

8.69.1 Contractor shall indemnify, defend and hold harmless County from and against any and all liability, damages, costs, losses, fees and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and/or utilization of Contractor's Services under this Agreement, including any products of or tools or methodologies used in the provision of Services hereunder, subject to the provisions of Paragraph 8.27 (Indemnification) hereunder.

8.69.2 In the event any product of or tool or methodology used in the provision of any Services hereunder becomes the subject of any complaint, claim or proceeding alleging infringement or unauthorized disclosure, such that County's continued use of such item is formally restrained, enjoined or subjected to a risk of damages, Contractor, at its sole cost and expense, and provided that County's continued use of Contractor's Services is not materially impeded, shall do one or any of the following:

- a)** Procure for County all rights to continued use of the questioned product, tool or methodology; or
- b)** Replace the questioned product, tool or methodology with a non-questioned item; or
- c)** Modify the questioned product, tool or methodology to render it free of claims.

8.70 SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the

following Paragraphs and Exhibits shall survive any termination or expiration of this Agreement:

- Base Agreement – Paragraph 5.3 (No Payment for Services Provided Following Expiration/Termination of Agreement)
- Base Agreement – Paragraph 7.4 (Confidentiality)
- Base Agreement – Paragraph 8.7 (Compliance with Applicable Laws, Rules and Regulations)
- Base Agreement – Paragraph 8.24 (Governing Law, Jurisdiction and Venue)
- Base Agreement – Paragraph 8.25 (Protection of Medical Information)
- Base Agreement – Paragraph 8.27 (Indemnification)
- Base Agreement – Paragraph 8.28 (General Provisions for All Insurance Coverage)
- Base Agreement – Paragraph 8.29 (Insurance Coverage)
- Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)
- Paragraph 8.46 (Termination For Breach Of Warranty To Maintain Compliance With County's Child Support Compliance Program)
- Paragraph 8.64 (Prohibition from Participation in Future Solicitations)
- Paragraph 8.70 (Survival)
- Exhibit A (Additional Provisions)
- Exhibit D (Acknowledgement and Confidentiality Agreement)

**AGREEMENT
FOR
SECURITY GUARD SERVICES**

IN WITNESS WHEREOF, Contractor has executed this Agreement or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

Inter-Con Security Systems, Inc.

By 
Signature
Kevin Hernandez

Printed Name
Chief Strategy Officer

Title

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

EDWARD YEN
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By 
PATRICE SALSEDA
Principal Deputy County Counsel

**LOS ANGELES COUNTY
DEPARTMENT OF HEALTH SERVICES**



SECURITY GUARD SERVICES

**EXHIBIT A
ADDITIONAL PROVISIONS**

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ATTACHMENTS

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Attachment 6	Payroll Statement of Compliance

EXHIBIT A

ADDITIONAL PROVISIONS

1. OVERVIEW

This Exhibit A (Additional Provisions) to the Agreement, including any attachments hereto (hereinafter also “Additional Provisions”), sets forth the terms and conditions for provision of Services pursuant to the Agreement. These Additional Provisions are in addition to the terms and conditions of the Base Agreement under the Agreement.

Unless otherwise specified herein, those terms and phrases with the initial letter capitalized that are not expressly defined herein shall have the meanings given to such in the Base Agreement under the Agreement.

2. INFORMATION PRIVACY AND SECURITY

2.1 COUNTY INFORMATION

By executing the Agreement, Contractor (on behalf of itself and any and all employees, agents and subcontractors) (i) acknowledges and agrees that it will not and may not store, maintain or access on or from non-County equipment/devices any County data or information for provision of Services under the Agreement, and (ii) certifies its compliance with the requirements of this Paragraph 2 prior to commencement of Services hereunder and for as long as Contractor or any of its employees, agents or subcontractors is in possession of any County data or information, including patient, personally identifiable and any other sensitive information (hereinafter “County Information”).

2.2 HIPAA OBLIGATIONS

Contractor acknowledges that County is subject the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (hereinafter “HIPAA”) and regulations promulgated thereunder, including the Privacy, Security, Breach Notification and Enforcement Rules at 45 Code of Federal Regulations (hereinafter “C.F.R.”) Parts 160 and 164 (hereinafter, collectively, “HIPAA Rules”). As a provider of Services for County, Contractor agrees to the applicable provisions relating to HIPAA as specified in Attachment 1 (HIPAA Compliance), attached hereto.

2.3 SECURITY AND PRIVACY INCIDENTS

In the event of a security or privacy Incident (as defined below), Contractor shall:

- Promptly notify the DHS Chief Information Security Officer, the DHS Information Security Officer and the DHS Chief Privacy Officer of any suspected, attempted, successful or imminent threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification or destruction (hereinafter “Incident”) of County Information within 24 hours of detection. All notifications shall be submitted via encrypted email and telephone to the following:
 - **DHS Chief Information Security Officer and DHS Chief Privacy Officer** – via DHS Enterprise Help Desk at helpdesk@dhs.lacounty.gov and by phone at (323) 409-8000
 - **DHS Chief Information Security Officer** – Jeff Zito at jzito@dhs.lacounty.gov
 - **DHS Chief Privacy Officer** – Jennifer Papp, RD, CHPC at jpapp@dhs.lacounty.gov

- **Departmental (DHS) Information Security Officer** – Vahe Haratounian at vharatounian@dhs.lacounty.gov
- Include the following information in all notices:
 - The date and time of discovery of the Incident;
 - The approximate date and time of the Incident;
 - A description of the type of County Information involved in the reported Incident;
 - A summary of the relevant facts, including a description of measures taken to respond to and remediate the Incident, and any planned corrective action(s) as they are identified; and
 - The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the Incident.
- Cooperate with County to investigate the Incident and seek to identify the specific County Information involved in the Incident as requested by County, without charge, unless the Incident was caused by the acts or omissions of County. As information about the Incident is collected or otherwise becomes available to Contractor, and unless prohibited by law, Contractor shall provide information regarding the nature and consequences of the Incident that are reasonably requested by County to allow County to notify impacted individuals, government agencies and/or credit bureaus.
- Assist and cooperate with forensic investigators, County, law firms and/or law enforcement agencies at the direction of County to help determine the nature, extent and source of any Incident and reasonably assist and cooperate with County on any additional disclosures that County is required to make as a result of the Incident.

Notwithstanding any other provisions in the Agreement, Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by Contractor's weaknesses, negligence, errors or lack of information security or privacy controls or provisions or otherwise failure to comply with any of the terms or conditions of this Paragraph 2.

2.4 DATA DESTRUCTION

Contractor that has maintained, processed or stored on non-County equipment/devices any County data and/or information, implied or expressed, has the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled Guidelines for Media Sanitization, available at:

<http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88 Rev.%201>

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

Contractor must certify that any County data stored on purchased, leased or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers and/or workstations, are destroyed consistent with the current

National Institute of Standard and Technology (NIST) Special Publication SP-800-88, Guidelines for Media Sanitization. Contractor must provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices, that validates that any and all County data was properly destroyed and is unusable, unreadable, and/or undecipherable.

2.5 EQUITABLE REMEDIES

Failure on the part of Contractor to comply with any of the provisions of this Paragraph 2 shall constitute a material breach of the Agreement, upon which County may suspend or terminate for default the Agreement, at its sole discretion, and/or take such other actions as deemed necessary or appropriate by County or required by law. Contractor also acknowledges and agrees that due to the unique nature of the sensitive information addressed in this Paragraph 2 there can be no adequate remedy at law for any breach of Contractor's obligations hereunder, and, therefore, upon any such breach or any threat thereof, County shall be entitled to appropriate equitable remedies and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies County might have at law or equity.

2.6 PRIVACY AND SECURITY INDEMNIFICATION

Notwithstanding any provision of the Agreement to the contrary, whether expressly or by implication, Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with or related to any failure by Contractor, including its officers, employees, agents and subcontractors, to comply with (i) the provisions of this Paragraph 2 or (ii) any Federal and/or State laws in connection with accessing, collecting, processing, storing, disclosing or otherwise using any County Information.

Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 2 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

2.7 SURVIVAL

The provisions of this Paragraph 2 shall survive the expiration or termination of the Agreement.

3. INSURANCE REQUIREMENTS

The insurance coverage requirements set forth in Attachment 2 (Additional Insurance Requirements) to this Exhibit A supplement and/or replace those specified in the Base Agreement under the Agreement.

4. CONTRACTOR PERSONNEL

4.1 MEDICAL HEALTH SCREENING

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that all of Contractor's staff that may provide Services at any County healthcare facility or site (hereinafter, for purposes of this Paragraph, "healthcare

campus") pursuant to the Agreement, prior to commencement of such Services at a healthcare campus, shall have undergone and successfully passed a current health screening consistent with the DHS policy and the requirements of Attachment 3 (Medical Health Screening), attached hereto (hereinafter "Medical Health Screening"). The cost of Medical Health Screening shall be borne by Contractor.

4.2 INFECTION CONTROL

Unless otherwise instructed by County or specified in the Statement of Work, Contractor shall ensure that any of Contractor's staff entering any of County facilities or coming into contact with the public shall comply with and strictly adhere to the applicable County Infection Control and Employee Health Guidelines, provided or made available by County, to prevent the transmission of infections and to ensure prompt and appropriate treatment of Contractor's staff in the event of exposure. If any member of Contractor's staff is diagnosed with having an infectious disease, of which Contractor is made aware, and such person has had contact with a County patient or a member of the public during the usual incubation period for such infectious disease, then Contractor shall report such occurrence to County's Project Manager, or authorized designee for each site where Services were provided by such staff, within twenty-four (24) hours of becoming aware of the diagnosis. Notwithstanding the foregoing, Contractor shall not allow any member of Contractor's staff to come onto County premises if Contractor is aware that such person is diagnosed with having an infectious disease.

For purposes of the Agreement, the infectious diseases reportable hereunder are those listed in the Public Health List of Reportable Diseases (California Code of Regulations, Title 17).

4.3 BACKGROUND AND SECURITY INVESTIGATIONS

Unless otherwise instructed by County or specified in the Statement of Work, all Contractor personnel providing Services under the Agreement shall undergo and pass, to the satisfaction of County, a background investigation as a condition to beginning and continuing to provide any such Services. County will use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. County may elect to perform the background check.

County may request that Contractor's staff member be immediately prohibited from providing Services under the Agreement at any time during the term of the Agreement, if such staff member does not pass a background investigation to the satisfaction of County or whose background or conduct is incompatible with any Service Site access requirements. County will not provide to Contractor or to Contractor's staff any information obtained through County conducted background clearance.

County may also immediately, at its sole discretion, deny or terminate any Service Site access to Contractor's staff that do not pass such investigation(s) to the satisfaction of County or whose background or conduct is incompatible with such Service Site's access requirements.

Disqualification, if any, of Contractor's staff pursuant to this Paragraph 4.3 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of the Agreement.

The provisions of this Paragraph 4.3 shall also apply to subcontractors of Contractor.

4.4 CONTRACTOR'S STAFF IDENTIFICATION

Contractor and any of its staff that may be assigned to or may provide Services at any of County's facilities or other sites, including Services Sites, are required to have a County identification (hereinafter "ID") badge, which they shall wear or otherwise visibly display at all times while at such sites. Contractor shall bear all cost and expense of the badging. Contractor shall ensure that all staff have obtained a County ID badge before they are assigned to or may commence work at any County facility or other site. Contractor staff may be asked by a County representative to leave a County facility or other site if they do not have the proper County ID badge on their person.

- 4.4.1 Contractor shall notify County within one (1) business day when staff has terminated employment with Contractor or is otherwise terminated from working under this Agreement and shall return such staff's County ID badge to County on the next business day following the termination.
- 4.4.2 If County requests removal of Contractor's staff from working on this Agreement, Contractor shall retrieve and return such staff's County ID badge to County on the next business day following the removal.

5. PROPRIETARY CONSIDERATIONS

5.1 LICENSE

Contractor hereby grants to County, its authorized users and patients a license to use the Services, including any software, equipment, designs, plans, technologies and/or any other intellectual property that may be utilized for provision of Services and/or accessed by County or its patients, together with related documentation and other specifications (hereinafter "License"), as further specified in Attachment 5 (License and Proprietary Rights) attached hereto.

5.2 OWNERSHIP

All data provided by County, including its users and patients, is and shall remain the property of County and is subject to the data destruction and/or return requirements set forth in Attachment 4 (Information Security and Privacy Requirements) attached hereto or Paragraph 2 (Information Privacy and Security) above, as applicable.

Further, Contractor agrees that County shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities and tools (hereinafter "materials") which are originated or created specifically for County through Contractor's work pursuant to the Agreement. Contractor, therefore, for valuable consideration herein provided, hereby assigns and transfers to County all of Contractor's right, title and interest in and to all such materials, provided that notwithstanding such County ownership, Contractor may retain possession of all working papers prepared by Contractor. Upon request of County, Contractor shall execute all documents and perform all other necessary acts to assign and transfer to and vest in County all of Contractor's right, title and interest in and to such original materials, including any copyright, patent and trade secret rights, which arise pursuant to Contractor's work under the Agreement.

6. INTENTIONALLY OMITTED

7. COMPLIANCE WITH COUNTY'S LIVING WAGE PROGRAM

7.1 LIVING WAGE PROGRAM

This Agreement is subject to the provisions of County's ordinance entitled "Living Wage Program" as codified in [Sections 2.201.010 through 2.201.100 of the Los Angeles County Code](#).

7.2 PAYMENT OF LIVING WAGE RATES

- 7.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not an "Employer" as defined under the Program ([Section 2.201.020 of the County Code](#)) or that Contractor qualifies for an exception to the Living Wage Program ([Section 2.201.090 of the County Code](#)), Contractor must pay its employees for the employees' services provided to County no less than (i) the applicable hourly living wage rate published by County (hereinafter "Living Wage Rate") or (ii) to the extent applicable, the applicable minimum wage rate for health care employees covered under SB 525 (hereinafter "SB 525 Wage Rate") as set forth in Paragraph 9 (Minimum Wage for Health Care Employees), whichever is greater, including, without limitation, "Travel Time" as defined below (hereinafter, for purposes of this Paragraph 7 "Minimum Wage Rate").
- 7.2.2 For purposes of this Paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor will be subject to the provisions of this Paragraph. The provisions of this Paragraph will be inserted into any such subcontract and a copy of the Living Wage Program must be attached to the subcontract. "Employee" means any individual, who is an employee of Contractor under the laws of California, and who is providing full-time or part-time services to Contractor, which are provided to County under the Agreement. "Full-time" means a minimum of forty (40) hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than thirty-five (35) hours worked per week will not, in any event, be considered full-time.
- 7.2.3 If Contractor is required to pay a living wage when the Agreement commences, Contractor must continue to pay a living wage for the entire term of the Agreement, including any option period(s).
- 7.2.4 If Contractor is not required to pay a living wage when the Agreement commences, Contractor will have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor must immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for the exception to the Living Wage Program. In either event, Contractor will immediately be required to commence paying the living wage and will be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the term of the Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for the exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor will immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.
- 7.2.5 For purposes of Contractor's obligation to pay its employees the applicable hourly living wage rate under this Agreement, "Travel Time" will have the following two meanings, as

applicable: (1) with respect to travel by an employee that is undertaken in connection with this Agreement, Travel Time will mean any period during which an employee physically travels to or from a County facility if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time; and (2) with respect to travel by an employee between County facilities that are subject to two different agreements between Contractor and County (of which both agreements are subject to the Living Wage Program), Travel Time will mean any period during which an employee physically travels to or from, or between such County facilities if Contractor pays the employee any amount for that time or if California law requires Contractor to pay the employee any amount for that time.

7.3 CONTRACTOR'S SUBMITTAL OF CERTIFIED MONITORING REPORTS

Contractor must submit to County certified monitoring reports at a frequency instructed by County. The certified monitoring reports must list all of Contractor's employees during the reporting period. The certified monitoring reports must also verify the number of hours worked and the hourly wage rate paid, for each of its employees. All certified monitoring reports must be submitted on the form(s) under Attachment 6 (Payroll Statement of Compliance) hereto or other County approved form(s) containing the information specified above. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor must promptly provide such information. Contractor, through one of its officers, must certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

7.4 CONTRACTOR'S ONGOING OBLIGATION TO REPORT LABOR LAW-PAYROLL VIOLATIONS AND CLAIMS

During the term of the Agreement, if Contractor becomes aware of any labor law-payroll violation or any complaint, investigation or proceeding (hereinafter "claim") concerning any alleged labor law-payroll violation (including, but not limited to, any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors and/or unlawful employment discrimination), Contractor must immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law-payroll violation or claim arising out of Contractor's Agreement with County, but instead applies to any labor law-payroll violation or claim arising out of any of Contractor's operations in California.

7.5 COUNTY AUDITING OF CONTRACTOR RECORDS

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at Contractor's place of business, any of Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County must have access to all such records during normal business hours for the entire period that records are to be maintained.

7.6 NOTIFICATIONS TO EMPLOYEES

Contractor must place County-provided living wage posters at each of Contractor's places of business and locations where Contractor's employees are working. Contractor must also distribute County-provided notices to each of its employees at least once per year.

Contractor must translate posters and handouts into Spanish and any other language spoken by a significant number of Contractor's employees.

7.7 ENFORCEMENT AND REMEDIES

If Contractor fails to comply with the requirements of this Paragraph, County will have the rights and remedies described in this Paragraph in addition to any rights and remedies provided by law or equity.

7.7.1 REMEDIES FOR SUBMISSION OF LATE OR INCOMPLETE CERTIFIED MONITORING REPORTS

If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding of Payment

If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of one hundred dollars (\$100) per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.2 REMEDIES FOR PAYMENT OF LESS THAN REQUIRED LIVING WAGE

If Contractor fails to pay any employee at least the applicable hourly living wage rate, such deficiency will constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

1. Withholding Payment

If Contractor fails to pay one or more of its employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its employees for a given pay period and the amount actually paid to the employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.

2. Liquidated Damages

It is mutually understood and agreed that Contractor's failure to pay any of its employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to ascertain; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be ascertained at this time; and that the liquidated damages are not intended as a penalty or forfeiture for Contractor's breach. Therefore, it is agreed that the County may, in its sole discretion, assess against Contractor liquidated damages of fifty dollars (\$50) per employee per day for each and every instance of an underpayment to an employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

3. Termination

Contractor's continued failure to pay any of its employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.7.3 DEBARMENT

In the event Contractor breaches a requirement of this Paragraph, County may, in its sole discretion, bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach, in accordance with [Los Angeles County Code, Chapter 2.202](#), Determinations of Contractor Non-Responsibility and Contractor Debarment.

7.8 USE OF FULL-TIME EMPLOYEES

With the exception of Contingency Guards, Contractor shall assign and use full-time employees of Contractor to provide services under the Agreement, unless Contractor can demonstrate to the satisfaction of County that it is necessary to use staff that are not full-time employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. Contractor agrees not to, under any circumstance, assign or use for provision of services under the Agreement any staff that are not full-time employees of Contractor, unless and until County has provided written authorization for use of such staff. Contractor submitted with its proposal a full-time employee staffing plan. If Contractor changes its full-time employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

7.9 CONTRACTOR RETALIATION PROHIBITED

Contractor and/or its employees must not take any adverse action which would result in the loss of any benefit of employment, any contract benefit or any statutory benefit for any employee, person or entity who has reported Contractor's violation of the Living Wage

Program to County or to any other public or private agency, entity or person. Any violation of the provisions of this Paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

7.10 CONTRACTOR STANDARDS

During the term of the Agreement, Contractor will maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested by County, Contractor shall demonstrate to the satisfaction of County that Contractor is compliant with this requirement.

7.11 EMPLOYEE RETENTION RIGHTS

7.11.1 Contractor must offer employment to all retention employees who are qualified for such jobs. For purposes of this Paragraph, a "retention employee" is an individual:

- a. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act; and
- b. Who has been employed by a contractor under a predecessor Proposition A contract or a predecessor cafeteria services contract with the County for at least six (6) months prior to the effective date of this Agreement, which predecessor contract was terminated by the County prior to its expiration; and
- c. Who is or will be terminated from their employment as a result of the County entering into this Agreement.

7.11.2 Contractor will not be required to hire a retention employee who:

- a. Has been convicted of a crime related to the job or his or her performance; or
- b. Fails to meet any other County requirement for employees of contractors.

7.11.3 Contractor will not terminate a retention employee for the first ninety (90) days of employment under the Agreement, except for cause. Thereafter, Contractor may retain a retention employee on the same terms and conditions as Contractor's other employees.

7.12 NEUTRALITY IN LABOR RELATIONS

Contractor shall not use any consideration received under the Agreement to hinder or to further organization of or collective bargaining activities by or on behalf of Contractor's employees, except that this restriction will not apply to any expenditure made in the course of good faith collective bargaining, made pursuant to obligations incurred under a bona fide collective bargaining agreement or which would otherwise be permitted under the provisions of the National Labor Relations Act.

8. EQUITABLE ACCESS TO HEALTHCARE FOR CONTRACTED EMPLOYEES

On April 4, 2023, the Board passed the Equitable Access to Healthcare for Contracted Employees Motion (hereinafter "Motion") directing DHS, in collaboration with other County departments, to:

1. Develop and implement a policy mandating that all new Proposition A contracts for security, environmental, including janitorial, and food services for County hospitals managed by DHS, including those provided under the Agreement, require 100% employer-paid healthcare premiums for employees, who work 30 hours or more per week, at the minimum actuarial value of the Affordable Care Act (hereinafter "ACA")

individual gold plan coverage (hereinafter "Gold Plan"), with the implementation deadline of December 31, 2023; and

2. Require Labor Peace Agreements for all such Proposition A contracts.

8.1 EMPLOYER PAID HEALTHCARE PREMIUMS

Contractor hereby agrees to comply with the Motion during the term of the Agreement and to provide 100% employer-paid healthcare premiums for Contractor's employees, who work 30 hours or more per week and elect to accept the healthcare benefits offered by Contractor, at the minimum actuarial value of the ACA Gold Plan at no cost to the employees.

8.2 LABOR PEACE AGREEMENTS

- 8.2.1 Contractor shall implement and shall ensure that each subcontractor implement, prior to providing any Services under the Agreement, a Labor Peace Agreement, which shall be maintained for the term of the Agreement. As used herein, a "Labor Peace Agreement" is a written agreement between Contractor or any of its subcontractors and a labor organization representing their employees that contains a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppage, boycott or any other economic interference with the Services provided for County under the Agreement.
- 8.2.2 Contractor, therefore, represents and warrants that (i) it and each of its subcontractors that may provide Services under the Agreement shall execute prior to provision of Services and maintain during the term of the Agreement a Labor Peace Agreement with any labor organization representing or seeking to represent the employees of Contractor or any such subcontractor; (ii) it shall have submitted to County a copy of evidence of each such executed Labor Peace Agreement; and (iii) such Labor Peace Agreements shall prohibit during the term of the Agreement labor organizations and their members from engaging in picketing, work stoppages, boycotts or any other economic interference with the business of County, including County facilities and other Service Sites serviced under the Agreement.
- 8.2.3 Contractor acknowledges and agrees (i) that failure by Contractor or any of its subcontractors to enter into and maintain during the term of the Agreement a Labor Peace Agreement shall be deemed a material breach of the Agreement, entitling County to terminate the Agreement for default; and (ii) that it would be impracticable and extremely difficult to ascertain the actual damages resulting from such breach, also entitling the County to liquidated damages in accordance with the provisions of the Agreement in addition to any other rights and remedies otherwise available at law or in equity.
- 8.2.4 Notwithstanding any breach of a Labor Peace Agreement by a labor organization representing or seeking to represent the employees of Contractor or any subcontractor that may provide Services under the Agreement or by any of such labor organization's members, Contractor shall remain fully responsible for meeting the requirements of the Agreement, including supplying sufficient personnel for provision of Services thereunder.
- 8.2.5 The requirements of this provision apply to the extent the employees of Contractor and/or any of its subcontractors are represented by a labor organization as of the Effective Date or during the term of the Agreement.

9. MINIMUM WAGE FOR HEALTH CARE EMPLOYEES

The Services provided under this Agreement may be subject to the requirements of the California Senate Bill (hereinafter "SB") 525, as codified under California Labor Code Section 1182.14 et seq. and elsewhere under California law. To the extent SB 525 is applicable to Contractor and the Services provided hereunder, Contractor agrees to comply with the requirements of SB 525, as such may be amended, and, during the term of the Agreement, pay its employees, at a minimum, the applicable minimum SB 525 Wage Rate (defined above), including for provision of Services under the Agreement. If Contractor is also subject to the living wage requirements specified under Paragraph 7 (Compliance with County's Living Wage Program), if any, then the Minimum Wage Rate under such Paragraph 7 (Compliance with County's Living Wage Program) shall be the greater of the applicable Living Wage Rate (defined above) and the SB 525 Wage Rate, if applicable.

10. COMPLIANCE WITH COUNTY'S ADVANCING HIGH ROAD JOBS INITIATIVE

The County has established a "Advancing High Road Jobs" Initiative (link: [Advancing High Road Jobs by Harnessing the County's Procurement Power as a Market Participant Motion](#)) to create opportunities for full-time employment not just within the County but in the private sector. This Initiative is focused on hiring qualified employees, and providing high road jobs, from the County's High-Road Training Partnership ("H RTP") programs and other pre/apprenticeship and job training programs, including County pipeline programs like Preparing Los Angeles for County Employment ("PLACE") and the Delete the Divide Internship, that are part of a network of America's Job Centers of California ("AJCCs"), overseen by County's Department of Economic Opportunity ("DEO"), working together to help Los Angeles County residents succeed in the job market. They achieve this by providing education, training, career counseling, and support services funded through the Workforce Innovation and Opportunity Act ("WIOA"). WIOA focuses on assisting adults, dislocated workers, and youth in finding employment. The County's AJCCs play a key role by funding training programs and state certifications, equipping participants with the skills and qualifications needed to secure jobs. The County's AJCC information can be found at: [Los Angeles County Business Development Services, Business Resources](#).

- 10.1 In support of this initiative, throughout the Initial Term of the Agreement, County has established a 20% hiring goal to such qualified employees in County's AJCCs. Contractor must consider hiring such qualified employees for open opportunities as they become available.
- 10.2 To obtain the list of qualified security employees that are certified and trained by County in the AJCCs, Contractor will be provided direct access to the AJCC referral portal where County will refer qualified security employees to Contractor.
- 10.3 Within thirty (30) calendar days after the Effective Date of the Agreement, Contractor must provide to County its comprehensive annual hiring plan that outlines its commitment to achieve the 20% hiring goal throughout the Initial Term of the Agreement to such qualified employees in County's AJCCs.
- 10.4 Contractor must submit a semi-annual hiring report. The report must include, at a minimum, a description of the position(s) that was fulfilled, number of programs

participants hired, and program name. The semi-annual report must be submitted electronically to the designated County personnel.

ATTACHMENT 1
HIPAA COMPLIANCE

ATTACHMENT 1.3

INADVERTENT ACCESS

Contractor expressly acknowledges and agrees that the provision of Services under the Agreement does not require or permit access by Contractor or any of its officers, employees or agents to any patient medical records/patient information, including PHI as defined in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Accordingly, Contractor shall instruct its officers, employees and agents that they are not to pursue or gain access to patient medical records/patient information, including PHI, for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that in the course of the provision of Services hereunder, Contractor or its officers, employees or agents, may have inadvertent access to patient medical records/patient information, including PHI. Contractor understands and agrees that neither it, nor its officers, employees or agents are to take advantage of such access for any purpose whatsoever.

Additionally, in the event of such inadvertent access, Contractor and its officers, employees and agents shall maintain the confidentiality of any information obtained and shall, immediately or upon the first reasonable opportunity to do so, notify County's Project Manager or the equivalent identified in the Agreement that such access has been gained. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all liability, including but not limited to demands, claims, actions, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with Contractor's or its officers', employees' or agents' access to patient medical records/patient information, including PHI. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

ATTACHMENT 2
ADDITIONAL INSURANCE REQUIREMENTS

ATTACHMENT 2.1

ADDITIONAL INSURANCE REQUIREMENTS

In addition to, and subject to, the requirements and any other provisions of the Agreement relating to insurance and/or in lieu of the insurance programs and coverages specified in the Base Agreement under the Agreement, Contractor shall provide and maintain for the term of the Agreement and thereafter, to the extent required herein, the insurance coverage(s) specified below. As used herein, the term "County and its Agents" shall mean and refer to the County of Los Angeles and its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers. Contractor acknowledges and agrees that the coverages required hereunder shall not in any way limit the liability of Contractor.

1. SEXUAL MISCONDUCT LIABILITY COVERAGE

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, person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

ATTACHMENT 3

MEDICAL HEALTH SCREENING

All Contractor personnel that may provide services pursuant to the Agreement shall complete to the satisfaction of County a medical health screening to determine if the person meets the medical criteria and immunizations standards established for the prospective job classification/assignment before commencing any services under the Agreement. Contractor shall use the DHS forms and medical health screening methodology provided or requested by County.

The medical health screening shall be performed by a physician or other licensed healthcare professional ("PLHCP") authorized to perform such screening, with all costs and expenses of such to be borne by Contractor. County, at its sole option, may also elect to have some of the assessments and screening services of Contractor personnel to be provided by DHS Employee Health Services ("EHS"). Upon such election by County, Contractor personnel shall be required to present a written authorization from County prior to obtaining any screening services from DHS EHS. DHS, at its option, will charge Contractor for the costs of any such services provided by DHS EHS or deduct the costs from the amounts owed by County to Contractor for services provided by Contractor under the Agreement, regardless of whether Contractor personnel pass or fail the screening.

Each member of Contractor personnel shall provide DHS EHS with documentation of health screenings and evidence of the absence of communicable diseases using County's "Health Clearance E2" forms. The forms must be signed by a healthcare provider attesting that all information is true and accurate, OR, in the alternative, such member of Contractor personnel may supply all required source documents to DHS EHS for verification.

Contractor must provide DHS EHS with the source documents for each member of Contractor personnel for review within four (4) hours of a request. Failure to provide the appropriate source documentation of health screenings/clearance will result in immediate release of such member of Contractor personnel from assignment without reinstatement until the person is compliant. Contractor shall maintain all source documents pertaining to all Contractor personnel's pre-employment and annual health evaluation, Tuberculosis, Respiratory Fit Testing and other required immunizations including COVID-19 vaccinations.

DHS facility staff are required to ensure that each member of Contractor personnel (i) receives the appropriate documents; (ii) has submitted them to the applicable DHS facility EHS; and (iii) has obtained health clearance prior to beginning the work assignment under the Agreement.

No person shall be allowed to work at any time inside any DHS healthcare providing facility without appropriate documentation of health screening. Lack of evidence of immunity to certain diseases will restrict assignment locations within the DHS facilities.

All Contractor personnel who have potential exposure to respiratory hazards and/or aerosol transmissible disease shall provide appropriate documentation of a respiratory fit test on the same make, model, style and size as the respirator that will be used at the applicable DHS facility. If so instructed by County or the applicable DHS facility, this will be an annual mandatory requirement.

Per County policy, Contractor personnel are required to comply with annual health screening. Unless specified otherwise in the Agreement, Contractor personnel shall have their PLHCP conduct the assessment in accordance with County policy and procedures. This documentation is the "E2 Annual Health Clearance". Contractor personnel will be provided with the necessary

documentation for completion and submission to their PLHCP. The PLHCP will be required to complete the documents and submit them to Contractor, as appropriate, with the completed forms.

Contractor personnel will be given a 30-day reminder to comply with annual health screening requirements. A member of Contractor personnel who does not comply with annual or other health screening requirements may, at County's option, be given a letter indicating that such person has five (5) days to comply or be released from assignment. A copy of the "letter" will be provided to the supervisor/sponsor of such member of Contractor personnel for action. In any event, failure to provide documentation of health screening/clearance will result in immediate release from assignment without reinstatement until compliant.

Contractor personnel potentially exposed to occupational hazards will be provided emergency services within the allowable time frames, with the cost of such emergency services to be borne by Contractor, as appropriate. Contractor personnel who are exposed to occupational hazard or incur injury while performing services for County will be reported on the OSHA Log 300/301, as required by Federal and State regulation and guidelines.

In the event of an occupational needlestick injury or other exposure to Contractor personnel to blood and body fluids or airborne contaminants, medical care will be provided by the DHS EHS or the applicable facility's Emergency Room, with the cost of such medical care to be borne by Contractor, as appropriate. Contractor personnel may seek initial care for such injury or exposure from the facility EHS or DHS EHS within the allowable treatment time frames, with the cost of such care to be borne by Contractor, as appropriate. Subsequent follow-up treatments will be conducted through the appropriate agency's worker compensation medical provider, or individual's physician.

ATTACHMENT 4
INFORMATION SECURITY AND PRIVACY REQUIREMENTS
(INTENTIONALLY OMITTED)

ATTACHMENT 5
LICENSE AND PROPRIETARY RIGHTS
(INTENTIONALLY OMITTED)

ATTACHMENT 6
PAYROLL STATEMENT OF COMPLIANCE

I, _____ (Name of Owner or Company Representative), _____ (Title)

Do hereby state:

That (i) I pay or supervise the payment of the persons employed by (Contractor/Subcontractor) on the _____ (Agreement); (ii) during the payroll period commencing on the _____ (day) of _____ (Month and Year) and ending the 04-29-~~(day)~~ of Kevin ~~(Month and Year)~~, all persons employed on such Agreement have been paid the full weekly wages earned; (iii) no rebates have been or will be made, either directly or indirectly, to or on behalf of (Contractor/Subcontractor) from the full weekly wages earned by any person; (iv) no deductions have been made either directly or indirectly, from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and as may be described below:

_____;

(v) any payrolls otherwise under the Agreement required to be submitted for the above period are correct and complete; and (vi) the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the Agreement.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature:

Date:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT CONTRACTOR OR SUBCONTRACTOR TO CIVIL AND/OR CRIMINAL PROSECUTION. IN ADDITION, CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD CONSISTENT WITH THE SERIOUSNESS OF THE VIOLATION.

EXHIBIT B
STATEMENT OF WORK
FOR
SECURITY GUARD
SERVICES

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ATTACHMENTS

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STATEMENT OF WORK FOR SECURITY GUARD SERVICES

The provisions herein below, including any Attachments hereto, set forth the scope of and requirements for Guard Security Services (also "Services") to be provided by Contractor pursuant to the Agreement with the County of Los Angeles ("County") that may be awarded as a result of Request for Proposals No. HS-1158 ("RFP") issued by County's Department of Health Services ("DHS" or "Department"). This base document included in Exhibit B (Statement of Work) to the RFP or Exhibit B (Statement of Work) to the Agreement, as applicable, together with any Attachments hereto, shall be referred to as a "Statement of Work" or "SOW".

1.0 BACKGROUND AND OVERVIEW

Currently, DHS is responsible for providing Security Guard Services for its administrative offices, hospitals, health centers and clinics. Contractor shall be required to provide Services for any or all of the Service Sites identified in Attachment 1 (Service Sites) to this SOW in accordance with the requirements of the Agreement, including the Statement of Work, in exchange for payment of the applicable Service Fees set forth in the Pricing Schedule.

2.0 DEFINITIONS

Unless defined herein, the terms and phrases used throughout the Statement of Work shall have the particular meanings given to such in the Base Agreement under the Agreement. The terms and phrases used throughout the Statement of Work, with the initial letter capitalized where applicable, shall have the particular meanings specified below in this Paragraph 2.0.

- 2.1 **"Additional Services"** – shall have meaning specified in Paragraph 6.1 (Additional Services) of this SOW.
- 2.2 **"Area"; "Service Area"** – shall mean the area designated for the Service Site(s) for which Services shall be provided under the Agreement.
- 2.3 **"Business Hours"** – shall mean Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time ("PT").
- 2.4 **"Contingency Guards"** – shall mean a 15% pool of available Guards not currently assigned to an existing Service Site, but onboarded by DHS and ready to be deployed to any Service Site in accordance with the provisions hereof, including Paragraph 5.2.2 (Contingency Guards).
- 2.5 **"Contract Discrepancy Report"; "CDR"** – shall mean a County issued report based on the form set forth in Attachment 2 (Contractor Discrepancy Report) to this SOW that will be used by County's Project Manager to record discrepancies and/or other problems with Contractor's compliance with the provisions of the Agreement, including the Statement of Work. A copy of the CDR will be provided to Contractor for response and corrective action as necessary.

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- 2.6 **“COOP”** – shall have meaning specified in Paragraph 5.5.1 (Contractor's Continuity of Operations Plan) of this SOW.
- 2.7 **“Coverage Plan”** – shall mean a document created by County that indicates the placement of Posts throughout the Service Sites(s). The coverage requirements for each Service Area are specified in the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW.
- 2.8 **“Daily Activity Report”; “DAR”** – shall mean a log based on Contractor's form used by Guards and Supervising Guards to record events throughout the day at their assigned Post.
- 2.9 **“Electronic Post Confirmation System”; “System”; “EPCS”** – shall mean an automated check-in system to be provided by Contractor in accordance with Paragraph 3.2.8 (Electronic Post Confirmation System).
- 2.10 **“Guard”** – shall refer to the job classification for Guard I, Guard II or Guard III.
- 2.11 **“Hourly Rate”** – shall have meaning specified in Paragraph 3.2.3.D (Reimbursement) of this SOW.
- 2.12 **“Matrix Report”** – shall mean a report based on Contractor's form with information relating to Contractor's staff's is compliance with personnel requirements in the Agreement, as further described in this SOW including Paragraph 5.4.4 (Matrix Report).
- 2.13 **“Monthly Inspection Report”; “MIR”** – shall mean a monthly report to be provided by Contractor documenting services provided, problems identified and corrective actions taken by Contractor, as further specified in Paragraph 5.4.1 (Monthly Inspection Report) of this SOW.
- 2.14 **“Open Post”** – shall refer to an assigned Post with no coverage, tracked in one-hour increments.
- 2.15 **“Performance Requirements Summary”; “PRS”** – shall mean a document that may be used by County for identifying critical performance indicators related to the Agreement, including the Statement of Work, which will be evaluated by County to determine whether Contractor meets the applicable performance standards.
- 2.16 **“Post”** – shall mean any physical location at a Service Site where Guards may be assigned to provide coverage.
- 2.17 **“Post Order(s)”** – shall mean County orders outlining duties, responsibilities and expectations of Guards and Supervising Guards at the Posts, including general Post Orders and Service Site specific Post Orders, as further described in Paragraph 5.1.2 (Post Orders) of this SOW.
- 2.18 **“Required Services”** – shall mean any Services that are required to be provided under the Agreement, including this Statement of Work.
- 2.19 **“Security Incident Report”; “SIR”** – a County form that must be completed by Contractor to report any significant security incidents, as further described in Paragraph 5.4.3 (Security Incident Reports) of this SOW.

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- 2.20 **“Security Manager”** – shall refer to the job classification for Security Manager.
- 2.21 **“Security Staff”** – shall mean and refer to any of the Guards, Supervising Guards and/or Security Managers providing Services under the Agreement.
- 2.22 **“Service Site(s)”** – any County owned, managed or authorized facility or other site identified in Attachment 1 (Service Sites) to this SOW.
- 2.23 **“Services”; “Security Services”** – shall mean any tasks, deliverables, goods, services and/or other work that may be provided by Contractor to County pursuant to the Agreement and this Statement of Work, including Security Guard Services.
- 2.24 **“Shift”** – predetermined number of hours identified by Contractor for provision of coverage for a Post.
- 2.25 **“Supervising Guard”** – shall refer to the job classification for Supervising Guard.
- 2.26 **“Vehicle Mileage Report”** – shall mean a Contractor provided report listing all vehicles used for provision of Services under this Agreement, which must include, at a minimum: vehicle description (make, model, year); license plate numbers; vehicle identification numbers; and mileage of each vehicle.

3.0 REQUIRED SERVICES

3.1 SERVICE SITES

The Service Sites approved for the provision of Services under the Agreement are identified in Attachment 1 (Service Sites) to this SOW. The list of Service Sites may be modified by an amendment or other appropriate modification to the Agreement in accordance with the provisions of the Agreement.

3.2 SCOPE OF SERVICES

Scope of Contractor's Services under the Agreement shall include the provision of Security Services by trained, professional, courteous, uniformed and equipped Guards to ensure each Service Site is safe, secured and monitored, as further described in this Paragraph 3.2 below.

3.2.1 GUARD POST COVERAGE

Contractor shall assign Guards at the Service Site(s) specified in Attachment 1 (Service Sites) to this SOW to meet County's needs, as specified below:

- A. Contractor shall determine the shifts needed to deploy Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.
 - 1. Contractor shall develop a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW, which shall specify the shifts and shall be made available to County upon request.

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2. The deployment roster shall be updated on an ongoing basis to reflect the most recent staffing plan.
- B. Any exceptions, modifications or changes to Post coverage must have prior written approval of County.
- C. In the event County increases Post coverage requirements, Contractor shall work with County to develop a plan for any additional Guard(s) needed for the expanded coverage, together with the shift(s). Changes to Post coverage shall be memorialized by a modification to the Agreement in accordance with Paragraph 6.2 (Changes to Scope).

3.2.2 POST ORDERS

Contractor shall ensure that all Guards, Supervising Guards and Security Managers receive a copy of and are knowledgeable with the general and Service Site specific Post Orders as specified in Paragraph 5.1.2 (Post Orders) of this SOW.

3.2.3 EMERGENCY SERVICES

A. Staff Availability

Contractor staff shall be available to provide Services during any emergency situation, which may include fire, flood, earthquake, civil disturbance, pandemic, epidemic and any other natural or manmade disasters ("Emergency Services").

B. Authorization

If County determines that an emergency situation has triggered the need for Contractor to provide Emergency Services, County will issue an authorization for reimbursing Contractor beyond the scheduled Post coverage for provision of Emergency Services. Any oral authorizations by County will be followed by written confirmation.

C. Coverage

Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows:

- Immediately and no later than one (1) hour from the time of the request; or
- On the date(s) and time as requested by County.

D. Reimbursement

Contractor shall be reimbursed one-and-a-half times the applicable hourly Service Fees ("Hourly Rate") set forth in Exhibit C (Pricing Schedule) to the Agreement for Emergency Services provided within 12 hours of County's request, for the first shift only. Any Emergency Services required thereafter shall be provided utilizing the Contingency Guards in the form of

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Additional Services in accordance with Paragraph 6.1 (Additional Services).

E. Compliance with Labor Laws

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act regarding payment of overtime to its employees, consistent with Paragraph 8.21 (Fair Labor Standards) of the Base Agreement under the Agreement. As specified in Attachment 3 (Performance Requirements Summary) to this SOW, County may impose an assessment against Contractor for failure by Contractor to observe this requirement. County may report Contractor's non-compliance with the California Labor Code to the California Labor Commission.

3.2.4 MATERIALS AND EQUIPMENT

Contractor shall ensure that all Guards, Supervising Guards and Security Managers are equipped with the necessary materials and equipment listed below to perform the Services for each Service Site(s). Unless otherwise specified in writing by the Service Site, Contractor shall be responsible for providing for each of its personnel performing Services hereunder, at a minimum, the following items:

- A. One (1) Sam/Sally Browne belt;
- B. One (1) Handcuff case;
- C. One (1) set Handcuffs plus key;
- D. Four (4) keepers;
- E. One (1) Key Snap;
- F. One (1) heavy-duty 3-cell flashlight approved by County, or approved alternate, with batteries;
- G. One (1) radio holder/pouch;
- H. One (1) Side Handle Baton with Baton Ring or Collapsible Side Handle Baton with Baton Ring. Handler, 12", or the ASP (24" or 26") expandable straight stick;
- I. Appropriate Personal Protective Equipment ("PPE"), including a face masks, goggles, latex gloves and a pouch;
- J. Notebook and pen to document daily activities.

3.2.5 UNIFORMS

Contractor shall provide tailored fit uniforms for each Guard, Supervising Guard and Security Manager working at the Service Site(s). Uniforms must always be clean, neatly pressed and consist of the items listed below. Any exceptions must be approved in writing by County's Project Manager or the Service Site designee, if any.

- A. Trousers – Navy or black;
- B. Shirts – White or blue with the company name/logo;

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- C. Belts – Solid black color, basket weave pattern;
- D. Socks – Solid black or navy blue color;
- E. Shoes – Solid black color, leather material, military style (low laced, plain toed oxfords, with smooth finish);
- F. Shoulder patches, as required by California Business and Professions Code 7582.26(f), on both arms of uniform shirt, polo (if requested by County) and jacket;
- G. Jackets, with appropriate shoulder patches, as appropriate to weather conditions – Navy or black color (as necessary);
- H. Rain gear (as necessary);
- I. Special attire to be provided by Contractor, as requested by County):
 - Black or white polo shirt
 - Tie – Solid black color
 - Tie bar – Gold in color
 - Other appropriate attire reasonably requested by County

3.2.6 VEHICLES AND OTHER TRANSPORTATION

A. Vehicles

Contractor shall, at no cost to County, provide vehicles for Security Managers to conduct patrols, inspections and random visits and to fulfill relief and managing responsibilities at the multiple Service Site(s). As requested by County, Guards may also be assigned to patrol and may need a vehicle for patrolling the Service Site's campus. Contractor's vehicles shall:

1. Be kept clean with no major visible damage;
2. Be clearly identified with Contractor's name and logo;
3. Be less than ten (10) years old;
4. Be in a safe operating condition;
5. Contain copies of vehicle's registration and insurance;
6. Have yellow light bar affixed to roof;
7. Be equipped with or otherwise contain the following items:
 - a. First aid kit
 - b. 5 lb. ABC type fire extinguisher
 - c. Hand-held or vehicle spotlight
 - d. Traffic cones
 - e. Flares
 - f. Yellow scene management (banner guard type) tape

- g. High visibility/reflective vests
 - h. Appropriate PPEs (latex gloves, masks, face shields, goggles, etc.)
 - i. Log containing Guard name and initials, patrol times and mileage (beginning and end of each trip).
8. Be identified and maintained on a list of all vehicles used to provide services under this Agreement, that must include: vehicle description (make, model and year); license plate numbers; vehicle identification numbers; and mileage when vehicle is first to put to use for provision of services hereunder.

B. Other Transportation

- 1. Contractor shall, at no cost to County, also provide transportation other than vehicles, including but not limited to, bicycles and scooters (e.g., Segway) to patrol and conduct inspection rounds throughout each assigned Service Site's campus. All Guards shall wear a yellow or highly reflective vest and helmet while using such other form of transportation. Contractor shall ensure that all other transportation is:
 - a. Kept clean with no major visible damage;
 - b. Less than five (5) years old;
 - c. In a safe operating condition;
 - d. Equipped with reflectors;
 - e. Labeled with an identification number.
- 2. For all other transportation utilized for provision of Services under the Agreement, Contractor shall maintain a current list that includes a description (type and year) and shall assign an identification number.
- 3. Contractor shall ensure that all Guards are trained in the operation of all other transportation being utilized, prior to their first patrol assignment.

3.2.7 RADIOS

Contractor shall provide all Guards and Security Managers with hand-held radios and desktop radios. Contractor shall ensure that:

- A. Radio system is operational and able to operate efficiently and effectively at assigned Service Site(s) without interruption. Each Service Site may have separate radio system requirements, depending on design of the Service Site. Contractor shall be responsible for any and all necessary updates and repairs to the radio system if the system is not efficiently and effectively operational.
- B. Radios adhere to all applicable Federal Communications Commission ("FCC") regulations for all radio communications.

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- C. At least one (1) hand-held radio is fully operational and charged for each of Contractor's staff and, upon County's request, Service Site personnel designated by County.
- D. A desktop radio is available as requested by each Service Site.

3.2.8 ELECTRONIC POST CONFORMATION SYSTEM

Contractor shall provide an automated clock-in/clock-out System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty. Data from the System will be used to create Contractor's invoices for Services.

Unless otherwise directed by County, Contractor shall submit to County for approval the communication plan (i.e., notification to County of any Open Posts and deployment of Guards) before any Services may commence under the Agreement. The EPCS shall have the ability, at a minimum, to:

- A. Upon County's request, generate a report that identifies Contractor's staff clock-in/clock-out times, hours worked and patrol times.
- B. Generate monthly electronic timesheets and invoices.
- C. Alert Contractor's dispatcher when there is an Open Post.

3.3 CONTRACTOR'S OBLIGATIONS AND REQUIREMENTS

Contractor shall, at a minimum, meet the obligations and requirements set forth in this Paragraph 3.3 below.

3.3.1 MINIMUM STAFF COVERAGE

Contractor shall ensure that each Service Site is appropriately staffed with Guards, Supervising Guards and Security Managers in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to this SOW for the Service Area.

3.3.2 PERFORMANCE STANDARDS

- A. Contractor shall ensure that all Security Staff providing Services at each Service Site meet the standards specified in Paragraph 3.4 (Performance Standards and Requirements) of this SOW.
- B. Security Staff shall always present a courteous and business-like demeanor.
- C. Security Staff shall provide protection from bodily harm for employees, visitors, patients and other members of the public.
- D. Security Staff shall safeguard County property against fire, theft, vandalism and illegal entry.
- E. During the coverage of a Post, if a condition exists wherein there is imminent danger of injury to the public or damage to County property, the Guard shall control the situation and intervene, as

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appropriate, to prevent injurious acts to persons or property. As soon as it is safe to do so, Contractor's staff shall notify the Supervising Guard and County of the incident.

3.3.3 MINIMUM REQUIREMENTS

Contractor shall ensure that all Security Staff providing Services at each Service Site meet the minimum requirements for performance of Services at specified in this SOW, including those set forth below.

- A. Contractor shall ensure that Security Staff maintain all required permits and meet all applicable training requirements.
- B. Contractor shall conduct inspections, provide new uniforms when needed and take other appropriate measures to ensure that Security Staff maintain a professional appearance.
- C. Contractor shall ensure that Security Staff are trained in the use of equipment (e.g., weapon scanning equipment) needed for performance of Services at each Service Site.
- D. Contractor shall ensure that Security Staff are knowledgeable with all policies and procedures (i.e., Post Orders, Contractor internal policies, DHS guidelines and any specific Service Site protocols).

3.4 PERFORMANCE STANDARDS AND REQUIREMENTS

3.4.1 LICENSES, CERTIFICATIONS AND QUALIFICATIONS

Contractor shall have obtained and maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to the performance of this Agreement and the Services provided hereunder. Copies and/or proof of such licenses, permits, registrations, certifications and accreditations relating to the Services shall be made available to County prior to the Effective Date of this Agreement and upon request. Also, all of Contractor's personnel providing Services under the Agreement shall have the requisite experience and qualifications as well as the necessary licensing, certifications, credentialing and training for proper performance of Services hereunder in accordance with Contractor's own requirements and the applicable industry standards and regulations.

3.4.2 ONBOARDING

Contractor must meet any onboarding criteria and qualifications as required by the Service Sites for which Services may be provided by Contractor under the Agreement. County may immediately cease engaging Contractor for provision of Services hereunder if, in County's sole discretion, Contractor does not meet a Service Site's onboarding criteria or qualifications. County shall have no liability to Contractor for any Services provided without County's verification of the applicable onboarding criteria and qualifications and

authorization for provision of Services or without the appropriate certifications.

Service Site may also require Contractor to participate in an orientation. If required by a Service Site, Contractor shall complete the Facility Policy and Procedures Manual, DHS Risk Management Information Manual and New Employee/Contractor Checklist within thirty (30) days of hire and/or assignment for provision of Services hereunder. Contractor must acknowledge receipt of all documentation and orientation by signing and dating the New Employee/Contractor Checklist.

3.4.3 POLICIES AND PROCEDURES

A. Procedural Manual

Contractor shall develop and provide to County's Project Manager, at least ten (10) business days prior to commencing any work under the Agreement, Contractor's procedural manual for provision of Services under the Agreement, including Post coverage. This procedural manual will be updated by Contractor throughout the term of the Agreement to reflect changes to County's needs or operations.

B. Complaint Investigation Procedures

Contractor shall develop, maintain and provide to County's Project Manager, at least ten (10) Business Days prior to commencing any work under the Agreement, Complaint Investigation Procedures, which shall include procedures for receiving, investigating and responding to complaints by Guards, members of the public and County personnel, as further specified in Paragraph 8.6 (Complaints) of the Base Agreement under the Agreement.

C. Illness and Injury Prevention Program

Contractor shall provide to County's Project Manager, prior to commencing any work under the Agreement and annually thereafter, a copy of Contractor's CAL/OSHA-compliant Illness and Injury Prevention Program ("IIPP"). IIPP shall be regularly updated to reflect current risks and hazards and changes in regulatory requirements.

D. Compliance with Policies and Procedures

All Services provided hereunder shall be in compliance with, and all Contractor personnel providing the Services shall comply with, all policies, procedures, protocols, rules and directives applicable to each assigned Service Site.

3.4.4 CONTINUING EDUCATION

Throughout the term of the Agreement, Contractor shall be in conformance with all applicable continuing education requirements, including California Bureau of Security and Investigative Services.

4.0 PERSONNEL

4.1 COUNTY PERSONNEL

County will designate personnel for administering Contractor's performance under the Agreement, including the Statement of Work, as specified in Paragraph 6.0 (Administration of Agreement – County) of the Base Agreement under the Agreement. County personnel will provide direction to Contractor in areas relating to County policy information and procedural requirements.

4.2 CONTRACTOR PERSONNEL

As specified in Paragraph 7.0 (Administration of Agreement – Contractor) of the Base Agreement under the Agreement, Contractor shall designate Contractor's Project Director to lead and coordinate Contractor's provision of Services described hereunder and act as a central point of contact with County personnel. Contractor's personnel shall meet the qualifications and other specifications as set forth below in this Paragraph.

4.2.1 CONTRACTOR'S PROJECT DIRECTOR

- A. Contractor's Project Director shall have full authority to act on behalf of Contractor regarding all matters relating to the daily operations of the Agreement.
- B. Contractor's Project Director must have at least three (3) years of experience within the last five (5) years providing security project management services in a healthcare setting, including management and coordination of multiple locations.
- C. Contractor shall ensure that Contractor's Project Director, or qualified designee, is available and reachable by County regarding this Agreement, at a minimum via telephone, at all times during Business Hours.
- E. Contractor's Project Director shall institute and maintain appropriate supervision of all personnel providing Services on behalf of Contractor pursuant to the Agreement, including employees and subcontractors.

4.2.2 CONTRACTOR'S PROJECT MANAGER

- A. Contractor's Program Manager shall manage and provide oversight of the administrative functions, such as monthly invoices, administrative files and timesheets.
- B. Contractor's Project Manager shall be responsible for determining daily work duties, staffing levels, scheduling and staffing hours needed to properly provide Services under the Agreement.
- C. Contractor's Program Manager must have at least two (2) years of experience within the last three (3) years working for a security

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contractor and providing administrative duties such as timekeeping, personnel and payroll support.

4.2.3 SECURITY GUARD CLASSIFICATIONS

Contractor shall provide the following security Guard classifications for provision of Services (including Post coverage) in accordance with each applicable Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to this SOW:

A. Security Manager

Contractor shall provide Security Manager, as specified in Attachment 7.1 (Staff Specifications – Security Manager) of this SOW.

B. Supervising Guard

Contractor shall provide Supervising Guard, as specified in Attachment 7.2 (Staff Specifications – Supervising Guard) to this SOW.

C. Guard III

Contractor shall provide Guard III, as specified in Attachment 7.3 (Staff Specifications – Guard III) to this SOW.

D. Guard II

Contractor shall provide Security Guard II, as specified in Attachment 7.4 (Staff Specifications – Guard II) to this SOW.

E. Guard I

Contractor shall provide Security Guard I, as specified in Attachment 7.5 (Staff Specifications – Guard I) to this SOW.

4.2.4 PERSONNEL REQUIREMENTS

Contractor shall ensure that personnel providing Services pursuant to the Agreement meet, at a minimum, the requirements as specified below:

- A. Contractor shall provide sufficient personnel to fulfill the requirements of the Agreement and the Statement of Work.
- B. Contractor personnel must effectively communicate in English, both orally and in writing.
- C. Contractor shall notify County in writing of any change to Contractor's personnel and, if feasible, seek County's approval prior to the change in accordance with Paragraph 7.3 (Approval of Contractor Staff) of the Base Agreement under the Agreement regarding County's right to approve or disapprove Contractor's personnel.
- C. Contractor personnel shall be required to attend any scheduled meetings with County staff, as requested or required by County.

4.3 TRAINING

Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 3 (Training Outline) to this SOW, including Guard-specific and DHS mandatory training requirements for non-County workforce.

4.4 LITIGATION APPEARANCES AND COUNTY INVESTIGATIONS

4.4.1 Contractor's staff may be required to make litigation related appearances, including as a witness regarding job-related incidents.

4.4.2 Contractor's staff may be asked to cooperate during an investigation for job-related incidents by County personnel.

4.4.3 County will reimburse Contractor the cost of travel, lodging and per diem expenses actually incurred by Contractor's staff for any litigation related appearances and meetings, including investigation interviews, approved by County's Project Manager, at the rates not to exceed those approved for reimbursement to County employees.

4.5 APPLICANT FILE

Contractor shall submit to County for review and approval the applicant's pre-employment file for each member of Security Staff that may provide Services under the Agreement before scheduling background investigation in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. Contractor shall maintain a pre-employment file for each applicant referred to County for background investigation, which shall contain, at a minimum, the following:

4.5.1 EMPLOYMENT APPLICATION

The employment application, including a list of the candidate's jobs held and any periods of unemployment for the previous ten (10) years, including all security services experience.

4.5.2 MILITARY SERVICE DOCUMENTATION

If prospective applicant served in the military, documentation of all military experience (regular or reserve), including a copy of Selective Service Card DD Form 214 (Certificate or Release or Discharge from Active Duty).

4.6 ADMINISTRATIVE FILE

Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the following:

4.6.1 Driving Record, including a current printout of the Department of Motor Vehicle ("DMV") record for any Security Staff assigned to drive, which shall be updated annually.

4.6.2 Current and up-to-date Guard Registration Card, issued by the California Department of Consumer Affairs ("DCA"), Bureau of Security and Investigative Services ("BSIS").

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- 4.6.3 Current and up-to-date adult, child and infant CPR card, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours), and Automated External Defibrillator ("AED") certification.
- 4.6.4 Current and up-to-date First Aid Certification, issued by American Red Cross, American Heart Association, or equivalent provider (8 hours).
- 4.6.5 Current and up-to-date baton permit issued by BSIS .
- 4.6.6 Valid and up-to-date California Class "C" Driver's License or California ID Card.
- 4.6.7 Health screening documentation specified in Paragraph 4.9 (Health Screening) of this SOW.
- 4.6.8 A file containing completed trainings and certificates as specified in Attachment 5 (Training Outline) to this SOW.

4.7 BACKGROUND AND INVESTIGATIONS

Contractor shall ensure that all personnel providing Services hereunder have undergone and passed, to the satisfaction of County, background checks in accordance with Paragraph 4.3 (Background and Security Investigations) of Exhibit A (Additional Provisions) to the Agreement. County's background investigation shall include, at a minimum, review of State, local and Federal level criminal conviction information obtained through fingerprints submitted to the California Department of Justice.

4.8 IDENTIFICATION BADGES

Contractor shall ensure personnel providing Services hereunder are appropriately identified in accordance with Paragraph 4.4 (Contractor's Staff Identification) of Exhibit A (Additional Provisions) to the Agreement.

4.9 HEALTH SCREENING

Contractor shall ensure personnel providing Services hereunder obtain health screenings in accordance with Paragraph 4.1 (Medical Health Screening) of Exhibit A (Additional Provisions) to the Agreement.

5.0 ROLES AND RESPONSIBILITIES

5.1 COUNTY'S RESPONSIBILITIES

Service Sites will be tasked with the roles and responsibilities as provided in this Paragraph 5.1 below.

5.1.1 FURNISHED ITEMS

- A. County may provide Contractor's staff with non-exclusive office or other space with furniture and/or equipment at a Service Site.
- B. County may provide furniture and equipment, which will be reasonably maintained or replaced due to normal wear and tear. Pictures of office space and furnishings shall be taken upon Contractor taking possession.

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- C. County will provide an inventory list of all furniture and equipment, which shall be signed by Contractor upon acceptance.
- D. County may inspect, request return of and otherwise have a right to enter and search such property at a Service Site.
- E. Upon termination or expiration of the Agreement, all County furniture and equipment shall be returned to County in good operating condition, less reasonable wear and tear. If County determines that any furniture or equipment is beyond reasonable wear and tear condition, Contractor shall be required to replace the furniture and/or equipment within 30 days from County's notice requesting such replacement.
- F. Contractor's Security Staff shall sign-in and sign-out for all County-furnished equipment, such as keys, when reporting for duty and at the end of the work shift. Replacement for any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property shall be the responsibility of Contractor. In addition, any costs associated with any such loss, disappearance, destruction, misuse or theft (i.e., re-keying Service Site, broken windows, loss or stolen equipment) shall be the responsibility of Contractor.
- G. Contractor's Project Manager shall report any improperly working or defective County-furnished equipment to the Service Site designee of County's Project Manager through a written memorandum within twenty-four (24) hours of Contractor's knowledge of the problem or defect.

5.1.2 POST ORDERS

County will provide to Contractor general Post Orders and Service Site specific Post Orders. General Post Orders will apply to all Service Site(s), while Service Site specific Post Orders will be unique to the requirements of a Service Site or Post. Contractor shall ensure that all members of its Security Staff are knowledgeable with and adhere to all general Post Orders and the applicable Service Site specific Post Orders.

5.2 **CONTRACTOR'S RESPONSIBILITIES**

5.2.1 STAFFING COVERAGE

A. Log of Questions, Inquiries and Complaints

Contractor shall maintain a written log of all questions, inquiries and complaints, the date and time each was received and a description of the action taken in response or reason for the non-action, together with its date and time. The log shall be made available to County for inspection at the request of County staff.

B. Holidays

Contractor shall be required to provide Services on County-recognized holidays at Service Site(s) operating on twenty-four

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(24) hour/seven (7) days a week basis or upon request by County. Contractor's all-inclusive billable rate shall cover the cost of any holiday pay. A listing of County-recognized holidays may be found at the following link: <https://lacounty.gov/government/about-la-county/about/>.

5.2.2 CONTINGENCY GUARDS

Contractor shall maintain a minimum of fifteen (15) percent (15%) contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post. Contingency Guards shall be County background-cleared, trained and certified and shall meet the applicable requirements of a Guard. Contingency Guards shall be made available for deployment to a Service Site as needed, throughout the term of the Agreement. Contractor shall provide to County on a quarterly basis or as otherwise instructed by County a list of Contingency Guards qualified and available for provision of Services under the Agreement.

5.2.3 PLANNED AND UNPLANNED ABSENCES

Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences. Procedures for absences shall be as follows:

- Contractor shall notify the applicable Service Site designee of County's Project Manager of any planned absence as soon as possible and at least one (1) hour prior to any such unplanned absence.
- In the event Guard must leave during the shift, replacement Guard shall deploy within one (1) hour to complete the remaining shift.
- Contractor shall assign a Guard or Supervising Guard for planned and unplanned absences to ensure continuous Post coverage.
- For any reported unplanned absence, Contractor shall deploy a Guard or Supervising Guard to the Service Site within one (1) hour.
- If a Supervising Guard is deployed for an unplanned absence of a Guard, the Supervising Guard shall remain at the Post until a replacement Guard arrives.

B. Additional Coverage

Generally, coverage for any part of or any facility or site ("Additional Site(s)"), other than the Service Site(s) specified herein, is provided by the incumbent contractor assigned to the area for such facility/site. However, County may request that Contractor also provide coverage for any Additional Site(s), based on Contractor's capacity, capability and performance, as well as business needs of County. Upon agreement of the parties, coverage for any such Additional Sites shall be provided in the form of Additional Services in accordance with Paragraph 6.1 (Additional Services) at the Hourly Rates not to exceed those

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specified in Exhibit C (Pricing Schedule) to the Agreement for Required Services.

Furthermore, in the event that Contractor is not able to provide Additional Services for any part of or any Service Site in its assigned Area ("Additional Location(s)") as requested by County, County reserves the right to engage another contractor for provision of security guards for such Additional Location(s).

5.3 CONTRACTOR'S OFFICE

Contractor shall maintain an office with a telephone in Contractor's name where Contractor conducts business. The office shall be staffed during Business Hours by at least one (1) employee who can respond to questions and any inquiries or complaints which may be received about Contractor's performance under the Agreement. Outside of Business Hours, Contractor shall provide for telephone or remote after-hours service for receiving calls. Unless otherwise agreed to by the parties or specified under this SOW, Contractor shall respond to calls received by the after-hours service within thirty (30) minutes of the call.

5.4 REPORTING

Contractor shall submit to County the following reports:

5.4.1 MONTHLY INSPECTION REPORT

- A. A Monthly Inspection Report ("MIR") of Contractor's scheduled and unscheduled inspections shall be submitted by the tenth (10th) business day of each month for each Service Site for which Services were provided, for the preceding month of Services, which shall include:
 - 1. Full details on all Services provided.
 - 2. Any corrective action(s) taken.
 - 3. A clear description of the problems.
 - 4. The time elapsed between identification and completed corrective action(s).
- C. Contractor shall maintain all MIR records and reports for five (5) years following termination or expiration of the Agreement.

5.4.2 DAILY ACTIVITY REPORTS

- A. Guards shall note the time and briefly describe events that have taken place throughout the day, such as theft, fire, unauthorized entry to secured area, property damage, bodily injury, etc. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift. Sufficient time shall be allocated for Guards to discuss any issues or concerns prior to the beginning of the next shift.
- B. Supervising Guard shall document site visits with Guards with respect to the following: uniform inspection, training completed, relief given for breaks or meal periods, records reviewed. DAR

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shall also include any communication with the Department personnel encountered, contract monitors contacted and any CDR follow-up completed.

➤ DAR summary shall be made following each Service Site visit.

C. DAR shall be completed at the end of each shift and available for inspection at the beginning of the next shift.

5.4.3 SECURITY INCIDENT REPORTS

Contractor shall provide Security Incident Reports ("SIR") for incidents considered emergencies (e.g., potential property damage or personal injury that requires the need for Fire and Law Enforcement personnel). After the incident is no longer an imminent concern, Contractor shall:

A. Immediately notify the applicable Service Site designee for County's Project Manager in-person or via phone and follow up with an email.

B. Complete and provide to County the SIR by the end of the shift during which the incident occurred, if possible, but no event later than twenty-four (24) hours after the incident.

5.4.4 MATRIX REPORT

Contractor shall submit by the tenth (10th) business day of every month a Matrix Report to track all required certificates, trainings and any revised trainings needed to maintain compliance with the Agreement. The Matrix Report shall include, at a minimum, the following:

A. Service Site(s) name;

B. Security Staff's last and first name;

C. Security Staff's card number;

D. Date of training;

E. Name of training (attach course description);

F. Type of training (computer, class/session (virtual or in-person), handout, demonstration), including a brief description

G. Baton permit expiration date;

H. CPR and First Aid expiration date;

I. Customer service training;

J. Date of most recent performance evaluation.

5.4.5 VEHICLE MILEAGE REPORT

Contractor shall submit by the tenth (10th) business day of every month a summary log of vehicle mileage that includes name and initials of Security Staff, starting and ending mileage listing of Service Site(s) visited that during patrols and inspections.

5.5 OPERATIONAL PLANS

Contractor shall develop and maintain during the term of the Agreement the following operational plans, which shall be subject to County's approval. Any updates to the operational plans must have County's approval. All plans and related materials will be maintained on file and available for review by County upon request.

5.5.1 CONTRACTOR'S CONTINUITY OF OPERATIONS PLAN

- A. If required by County, Contractor, in collaboration with County, shall develop and provide to County within sixty (60) days from the Effective Date of the Agreement a Continuity of Operations Plan ("COOP") for each Service Site in compliance with County's Chief Executive Office ("CEO"), Office of Emergency Management ("OEM") guidelines. Contractor's COOP will be used for assisting County with restoration of Service Site operations in the event of an emergency or a disaster. The COOP shall address, at a minimum, the following:
 1. Coordination of Service Site emergency response drills in cooperation with County personnel and emergency responders.
 - Contractor shall document and report to the Service Site designee of County's Project Manager the results of any emergency response drills conducted at the Service Site.
 2. A tabletop (scenario) COOP exercise, for each Service Site, to be conducted at a minimum once a year.
 - The purpose of the scenario exercise is to ensure that information in COOP is complete and accurate and that Contractor's Security Staff know their responsibilities during an emergency or disaster and adhere to the Service Site's emergency response plan.
 - The results of scenario exercises shall be reported to the Service Site designee of County's Project Manager and shall include, at a minimum, the following: an overview of the exercise conducted, name and position of participant(s), nature of any deficiencies, a corrective action plan and the timeframe to correct deficiencies.
- B. The COOP shall be updated on an ongoing basis to reflect any changes in information as well as Service Site's current operations and emergency response plan, with updated COOP provided to the Service Site designee of County's Project Manager.
- C. Failure to adhere to the COOP in the event of an emergency or disaster may result in assessment by County of liquidated damages as specified in the Agreement, including Attachment 4 (Performance Requirements Summary) to this SOW.

5.5.2 RECRUITMENT PLAN

Contractor shall develop and provide to County at least ten (10) business days prior to commencing Services under the Agreement Contractor's plan ("Recruitment Plan") for recruiting Security Staff and maintaining a steady 15% pool of Contingency Guards. Contractor shall update the Recruitment Plan during the term of the Agreement and provide the updated Recruitment Plan to the Service Site designee of County's Project Manager.

6.0 ADDITIONAL SERVICES AND CHANGES TO SCOPE

6.1 ADDITIONAL SERVICES

County may request provision of Services other than those described or specified in Paragraph 3.0 (Required Services) above or elsewhere in the Agreement, including professional services ("Additional Services"). Additional Services may be provided on a time and materials basis or fixed price basis, as authorized by County. Additional Services shall require approval from the applicable Service Site designee of County's Project Manager of the requesting Service Site prior to commencement.

Upon County's request for provision of Additional Services on a fixed price basis, Contractor shall prepare and submit a written description of the work to be performed, together with a cost estimate for completion of the requested Additional Services, inclusive of all labor, materials, travel and any per diem costs at the applicable rates that may be set forth in the Pricing Schedule. Upon County's request for provision of Additional Services on a time and materials basis, Contractor shall provide a best estimate of the number of hours needed to complete the requested Additional Services. In any case, any acquisition of Additional Services shall be memorialized by an appropriate modification to the Agreement.

6.2 CHANGES TO SCOPE

The Director of DHS, or authorized designee, may add and/or delete Service Sites or otherwise require changes to the scope of the Agreement. Any such changes shall be made by a modification to the Agreement as authorized by Paragraph 8.1 (Amendments and Modifications) of the Base Agreement under the Agreement.

7.0 CONTRACTOR'S QUALITY CONTROL

Contractor shall establish and maintain the plans and procedures described below, including a comprehensive Quality Control Plan ("QCP"), to ensure provision by Contractor of consistently high level of Services throughout the term of the Agreement. Contractor shall submit for review and approval to County's Project Manager its QCP within 30 days of the Effective Date of the Agreement. Contractor shall resolve within 10 business days any concerns raised by County regarding the QCP, make any required adjustments and resubmit a revised QCP to County.

7.1 QUALITY CONTROL PLAN

The Quality Control Plan ("QCP") shall include, at a minimum, the following:

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- 7.1.1 Description of Contractor's standards to improve quality, efficiency and effectiveness of Services provided hereunder, including:
- Identification of opportunities for improvement;
 - Clear expectations and metrics about the action required to improve performance;
 - Contractor's support and resources available to make the improvements;
 - Follow-up plans to measure Contractor's progress with improving and sustaining performance; and
 - Description of possible consequences if performance improvement standards are not met.
- 7.1.2 Description of Contractor's plan to maintain compliance with all applicable laws, standards and regulations, including County policies, procedures and/or departmental bulletins approved by the Director of DHS, or designee, relating to the performance standards and outcome measures.
- 7.1.3 Description of Contractor's methods of monitoring to ensure:
- All Agreement requirements are being met; and
 - All of Contractor personnel who provide Services hereunder maintain current immunizations and licenses and meet the training and other requirements under the Agreement.

7.2 QUALITY RECORDS

Contractor shall perform periodic quality audits to ensure Services, including equipment used for provision of Services, adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.

8.0 COUNTY'S QUALITY ASSURANCE

8.1 QUALITY ASSURANCE PLAN

County may evaluate Contractor's performance under the Agreement on an annual basis or more frequently, as determined by County. Evaluation of Contractor's performance may include, among others, County's assessment of Contractor's compliance with the requirements of the Statement of Work and invoicing.

8.2 CONTRACTOR DISCREPANCY REPORT

8.2.1 Verbal or written notification of any Agreement discrepancy will be made to Contractor's Project Director as soon as possible whenever a discrepancy is identified. Contractor shall, without unreasonable delay, resolve the problem within a period of time mutually agreed to by County and Contractor.

8.2.2 County's Project Manager will determine whether a formal CDR shall be issued. Upon receipt of a CDR, Contractor shall, within five (5)

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business days of receipt of the CDR, provide to County's Project Manager a written response, which shall include a corrective action plan and proposed timeframe(s) for improving performance to an acceptable level and preventing re-occurrence of the deficiencies identified in the Contractor Discrepancy Report.

8.3 PERFORMANCE REQUIREMENTS SUMMARY

- 8.3.1 County may identify certain critical and minimum acceptable requirements of Contractor's performance of the Agreement in a Performance Requirements Summary, as set forth in Attachment 3 (Performance Requirements Summary) to this SOW ("PRS Chart").
- 8.3.2 The provisions listed in the PRS Chart are intended to be consistent with the requirements of the Agreement, including the Statement of Work, and not to create, extend, revise or expand any obligations of Contractor beyond such requirements. In the event of apparent inconsistency between the requirements of the Agreement and the PRS Chart, the meaning apparent in the Agreement shall prevail.
- 8.3.3 Failure by Contractor to comply with the requirements set forth in the PRS Chart at any time during the term of the Agreement shall entitle County, at its sole discretion, in addition to any other remedies available to County under the Agreement, to assess credits, fees or other financial deductions against Contractor as specified in the PRS Chart.

8.4 COUNTY OBSERVATIONS

In addition to departmental contracting staff, other County personnel may, at any time during normal Business Hours, without unreasonably interfering with Contractor's performance, observe Contractor's performance and activities, as well as review documents relevant to the Agreement.

**ATTACHMENT 1
SERVICE SITES
SECURITY GUARD SERVICES
AREA 4**

SERVICE SITE	STREET ADDRESS	CITY	STATE	ZIP	POINT OF CONTACT
Harbor UCLA Medical Center	1000 W. Carson Street	Torrance	CA	90502	Michael Hill mhill5@dhs.lacounty.gov (cc: luxu@dhs.lacounty.gov) 424-306-7700
Harbor Bay Clinic	1403 W Lomita Blvd.	Harbor City	CA	90710	Michael Hill mhill5@dhs.lacounty.gov (cc: luxu@dhs.lacounty.gov) 424-306-7700
Rancho Los Amigos National Rehabilitation Center	7601 Imperial Highway	Downey	CA	90242	Rochessa Washington rowashington@dhs.lacounty.gov 562-385-7622

ATTACHMENT 2

CONTRACTOR DISCREPANCY REPORT

CDR NUMBER	DATE CDR PREPARED
SERVICE SITE / FACILITY	
CONTRACTOR	AGREEMENT / CONTRACT NUMBER
TO CONTRACTOR'S STAFF [NAME AND TITLE]	FROM [COUNTY'S STAFF NAME AND TITLE]

INCIDENT DETAILS

DATE(S) OF INCIDENT	TIME(S) OF INCIDENT	LOCATION(S) OF INCIDENT
DESCRIPTION OF INCIDENT		
CONTRACTUAL REQUIREMENT(S) – INCLUDE AGREEMENT REFERENCE(S)		

CONTRACTOR DUE DATES

[refer to Agreement to confirm number of days allotted]

1) Contractor's Written Acknowledgement of discrepancy response due within two (2) business days from the date of this CDR: _____	
2) Contractor's Correction Plan of all deficiencies identified in this CDR due within five (5) business days from the date of this CDR: _____	
SIGNATURE OF COUNTY'S REPRESENTATIVE	DATE

CONTRACTOR CORRECTIVE ACTION PLAN

IDENTIFY THE ROOT CAUSE OF INCIDENT AND CORRECTIVE ACTION TAKEN		
PLAN FOR PREVENTION OF FUTURE INCIDENTS		
WRITTEN NAME & TITLE OF CONTRACTOR'S REPRESENTATIVE	SIGNATURE OF CONTRACTOR'S REPRESENTATIVE	DATE

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COUNTY EVALUATION OF CONTRACTOR'S RESPONSE				
	YES	NO (IF NO, FURTHER ACTION IS REQUIRED)	Not Applicable (N/A)	ACTION TAKEN / COMMENTS
Contractor acknowledgement of CDR received by Due Date				
Contractor Corrective Action Plan (CAP) received by Due Date				
CAP resolves Discrepancy(ies)				
Plan for Prevention of future incidents is acceptable				
Contractor notified of deficient CAP & possible PRS assessment (Due Date for acceptable CAP is 10 business days)				
Contractor resolved deficient CAP				
If no, Contractor notified of PRS Assessment				
PRS Deductions taken (Invoice No./ Date)				
CONTRACTOR NOTIFIED OF ACTION				
WRITTEN NAME & TITLE OF COUNTY REPRESENTATIVE:		SIGNATURE OF COUNTY REPRESENTATIVE:		
DATE:				
WRITTEN NAME & TITLE OF CONTRACTOR REPRESENTATIVE:		SIGNATURE OF CONTRACTOR REPRESENTATIVE:		
DATE:				

ATTACHMENT 3
PERFORMANCE REQUIREMENTS SUMMARY

SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
BASE AGREEMENT			
Base Agreement: Paragraph 8.42 (Record Retention and Inspection/Audit Settlement)	Contractor shall maintain all required records, as specified in Paragraph 8.42.	Inspection of files	\$100 per incidence of non-compliance
Base Agreement: Paragraph 8.45 (Subcontracting)	Contractor shall obtain County's written approval prior to subcontracting any work.	Inspection and Observation	\$100 per incidence of non-compliance.
ADDITIONAL PROVISIONS			
Additional Provisions: Paragraph 10 (Compliance with County's Advance High Road Jobs Initiative)	Contractor shall be in compliance with the County's Advancing High Road Jobs Initiative.	Semi-annual report	\$100 per incidence of non-compliance.
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SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall assign Guards to ensure continuous Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW. Any Open Post without County's written authorization is considered a violation of the Agreement.	Inspection and Review	\$200 per hour, per Open Post; Open Post are tracked in one-hour increments.
SOW: Paragraph 3.2.1 (Guard Post Coverage)	Contractor shall develop and maintain up-to-date a deployment roster for Post coverage in accordance with the applicable Attachment (4.1 – 4.4) under Attachment 4 (Minimum Staff Coverage) to the SOW, which shall specify the shifts and shall be made available to County upon request.	Inspection and Review	\$100 per occurrence of failure to provide to County a deployment roster upon request or for providing an outdated deployment roster.
SOW: Paragraph 3.2.3 (Emergency Services)	Contractor shall provide coverage for Emergency Services outside of scheduled Post coverage as follows: ➤ Immediately and no later than one (1) hour from the time of the request; or ➤ On the date(s) and time as requested by County.	Inspection and Review	\$200 per occurrence of failure to provide Post coverage in compliance with Paragraph 3.2.3.

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SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 3.2.8 (Electronic Post Confirmation System)	Contractor shall provide an automated clock-in/clock System, which identifies and verifies covered Posts, Open Posts and patrol times and alerts Contractor's dispatcher when a Guard or Supervising Guard has not reported for duty.	Observation, Inspection of time sheets and random Site Visits	\$500 per occurrence of any errors or issues relating to Electronic Post Confirmation System.
SOW: Paragraph 3.3 (Contractor's Obligations and Requirements)	Contractor shall ensure that (i) each Service Site is appropriately staffed; (ii) Security Staff meet performance standards; and (iii) Security Staff meet the minimum requirements, as specified in Paragraph 3.3.	Inspection and Observation	\$500 per incidence of non-compliance.
SOW: Paragraph 3.4 (Performance Standards and Requirements)	Contractor shall (i) maintain during the term of the Agreement all current licenses, permits, registrations, certifications and accreditations applicable to performance of Services; and (ii) meet Service Site onboarding criteria, as specified in Paragraph 3.4.	Inspection and Observation	\$100 per incidence of non-compliance.
SOW: Paragraph 4.2 (Contractor Personnel)	Contractor's personnel shall meet the qualifications and other specifications as set forth in Attachments (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the SOW.	Observation, random Inspections; Review of administrative files	\$500 per incidence of non-compliance
SOW: Paragraph 4.3 (Training)	Contractor shall be responsible for ensuring that Security Staff providing Services under the Agreement complete all training requirements set forth in Attachment 5 (Training Requirements) to the SOW.	Observation, random Inspections; Review of administrative files	\$100 per each employee non-compliant with the requirements of Attachment 5 (Training Requirement) to the SOW.
SOW: Paragraph 4.6 (Administrative File)	Contractor shall maintain throughout the term of the Agreement an administrative file for each member of Security Staff that may provide Services under the Agreement, which shall contain the pre-employment file and copies of the documentation, as specified in Paragraph 4.6.	Inspection and Review	\$100 per occurrence for any missing, or incomplete or outdated administrative file documentation specified in Paragraph 4.6

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SPECIFIC PERFORMANCE REFERENCE	REQUIREMENTS	MONITORING METHOD	DEDUCTIONS/ ASSESSED FEES
SOW: Paragraph 5.2.2 (Contingency Guards)	Contractor shall maintain a minimum of fifteen (15) percent contingency pool of Guards ("Contingency Guard(s)") for deployment to any Open Post, as specified in Paragraph 5.2.2.	Inspection and Review	15% deduction from each invoice within the applicable Area.
SOW: Paragraph 5.2.3 (Planned and Unplanned Absences)	Contractor shall utilize Contingency Guards throughout the term of the Agreement for planned and unplanned absences, as specified in Paragraph 5.2.3.	Inspection and Review	\$500 per occurrence of violation of Paragraph 5.2.3.
SOW: Paragraph 5.4 (Reporting)	Contractor shall provide to County the Monthly Inspection Report (MIR), Daily Activity Reports (DAR), Security Incident Reports (SIR), Matrix Report, and the Vehicle Milage Report, as specified in the Paragraph 5.4.	Inspection and Review	\$100 per occurrence of failure to provide any of the reports identified in Paragraph 5.4.
SOW: Paragraph 5.5.1 (Contractor's Continuity of Operations Plan)	Failure to adhere to Contractor's COOP approved by County in the event of an emergency or disaster as required under Paragraph 5.5.1.	Inspection and Observation	\$1,000 per incidence of non-compliance.
SOW: Paragraph 7.0 (Contractor's Quality Control)	Contractor shall establish and maintain a QCP as required in Paragraph 7.0.	Inspection and Observation	\$250 and revisited if not provided within 10 business days.
SOW: Paragraph 7.2 (Quality Records)	Contractor shall perform periodic quality audits to ensure Services adhere to all applicable regulatory and other performance requirements specified herein. Contractor shall maintain records of all such audits and make them available to County for inspection.	Inspection and Review	\$200 per occurrence of any missing or incomplete records.

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
	Harbor UCLA Medical Center	On-Site Manager	Security Manager	1	0800 - 1600	Mon - Fri, Hol
	Harbor UCLA Medical Center	On-Site Supervising Guard	Supervising Guard	6	0700 - 2300	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	On-Site Supervising Guard	Supervising Guard	3	2300 - 0700	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	2nd Floor O/R Waiting Room	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	3rd Floor Lobby	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	6th Floor Peds	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	7th Floor / Delivery	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

4	Harbor UCLA Medical Center	Ambulance Entrance	Guard I	1	1400 - 0600	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	ER Triage 1st Floor	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	PCDC North	Guard I	1	0600 - 1930	Mon - Fri
	Harbor UCLA Medical Center	Pharmacy Lobby	Guard I	2	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Relief	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Relief	Guard I	1	0700 - 2300	Mon - Fri, Hol
	Harbor UCLA Medical Center	Rover	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Rover	Guard I	2	0000 - 2400	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

Harbor UCLA Medical Center	ER Lobby	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Unit Security (BHSO) - 1 South	Guard III	1	0630 - 2230	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Unit Security (BHSO) - 8West	Guard III	1	0630 - 2230	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Unit Security (BHSO) - Cover 24/7 - Rover A/B	Guard III	2	0000 - 2400	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Unit Security (BHSO) - Psych ER	Guard III	1	0630 - 2230	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Screen Visitors. Pharmacy Entrance	Guard I	1	0800 - 1600	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Screen Visitors. SE Hospital Entrance	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
Harbor UCLA Medical Center	Ambucare N24	Guard I	1	0700 - 1900	Mon - Fri

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

4	Harbor UCLA Medical Center	Inpatient Psych Unit 1-South	Guard III	1	2230 - 0630	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Inpatient Psych Unit 8-West	Guard III	1	2230 - 0630	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	BHSO Rover	Guard III	1	0630 - 1430	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	BHSO Rover	Guard III	1	1430 - 2230	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Interior Rover	Guard I	1	2300 - 0700	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Loading Dock	Guard I	1	0400 - 1600	Mon - Fri
	Harbor UCLA Medical Center	Outside Triage Door	Guard I	1	0700 - 1500	Sun - Sat, Hol
	Harbor UCLA Medical Center	Parking Lot B	Guard I	1	0600 - 1200	Mon - Fri

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

4	Harbor UCLA Medical Center	Parking Lot C	Guard I	1	0600 - 1200	Mon - Fri
	Harbor UCLA Medical Center	PCDC North	Guard I	1	0600 - 1930	Mon - Fri
	Harbor UCLA Medical Center	Rover	Guard I	1	0630 - 2230	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Rover post for MFI/Professional Building	Guard I	1	0900 - 1700	Mon - Fri
	Harbor UCLA Medical Center	Surgery Emergency Building	Guard I	1	0600 - 1400	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Surgery Emergency Exit	Guard I	1	1500 - 2300	Sun - Sat, Hol (everyday)
	Harbor UCLA Medical Center	Unit Security (BHSO) - Psych ER	Guard III	1	2230 - 0630	Sun - Sat, Hol (everyday)
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

4	Harbor Bay Clinic	Interior & Exterior Patrol	Guard I	1	0715 - 1745	Mon - Fri
		Interior & Exterior Patrol	Guard I	1	1745 - 2045	Tue
AREA	SERVICE SITE	POST DESCRIPTION	SECURITY STAFF	QUANTITY OF SECURITY STAFF PER COVERAGE	COVERAGE	DAYS
4	Rancho Los Amigos National Rehabilitation Center	On-Site Supervising Guard	Supervising Guard	1	0800 - 0030	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	Outpatient Building Central Desk	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	JPI 1st FL Unit 1N/1S	Guard I	1	0600 - 2200	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	JPI 2nd FL Unit 2N/2S	Guard I	1	0600 - 2200	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	JPI 3rd FL Units 3N/3S	Guard I	1	0600 - 2200	Sun - Sat, Hol (everyday)

**ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4**

	Rancho Los Amigos National Rehabilitation Center	JPI Loading Dock	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	Harriman Lobby	Guard II	1	0730 - 1800	Mon - Fri
	Rancho Los Amigos National Rehabilitation Center	Perry Station 1st Floor	Guard II	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	OPB/JPI Entrance	Guard I	1	0700 - 1800	Mon - Fri
	Rancho Los Amigos National Rehabilitation Center	OPB West Entrance	Guard I	1	0630 - 1900	Mon -Fri
	Rancho Los Amigos National Rehabilitation Center	OPB 1st/2nd FI Rover	Guard I	1	0730 - 1800	Mon - Fri

ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4

4	Rancho Los Amigos National Rehabilitation Center	Rover	Guard I	1	0530 - 2200	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	Rover	Guard I	1	2300 - 0700	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	Rover	Guard I	1	1400 - 2200	Mon - Fri
	Rancho Los Amigos National Rehabilitation Center	Rover	Guard I	1	0930 - 1800	Mon - Fri
	Rancho Los Amigos National Rehabilitation Center	Rover	Guard I	1	1330 - 2200	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	OPB Staff Entrance	Guard I	1	0800-1700	Mon - Fri

ATTACHMENT 4.4
MINIMUM STAFF COVERAGE - AREA 4

4	Rancho Los Amigos National Rehabilitation Center	100 Bldg. (Orthotics Clinics)	Guard 1	1	0800-1700	Mon - Fri
	Rancho Los Amigos National Rehabilitation Center	JPI Extension (New)	Guard I	1	0000 - 2400	Sun - Sat, Hol (everyday)
	Rancho Los Amigos National Rehabilitation Center	SSB (New)	Guard 1	1	0700 - 1800	Mon - Fri
	Rancho Los Amigos National Rehabilitation Center	Security Lead	Guard III	1	0630 - 2230	Sun - Sat, Hol (everyday)

APPENDIX B – ATTACHMENT 5

TRAINING REQUIREMENTS

This Attachment 5 sets forth the training requirements for the provision of Security Guard Services under the Agreement, required by the County of Los Angeles ("County") for the provision of Services by Security Guards I, II and III ("Guard(s)"), Supervising Guards and Security Managers (Security Staff). Contractor shall ensure that all Security Staff working at County buildings, hospitals and/or clinics ("Service Site(s)") complete all applicable training required by County, as set forth herein below. **Unless indicated otherwise in writing by the County, all such training shall be at no cost to the County.**

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required Prior to 1st Day at Service Site	
1	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.5) under Attachment 7 (Staff Specifications) to the Statement of Work: ➤ Power to Arrest ➤ Weapons of Mass Destruction and Terrorism Awareness ➤ Public Relations – Community and Customer ➤ Observation and Documentation ➤ Communication and its Significance ➤ Liability/Legal Aspects ➤ First Aid / Cardiopulmonary Resuscitation (CPR) / Automated External Defibrillator (AED) ➤ Baton Permit <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	All Security Staff
2	Courses required by County in order to meet the requirements in Attachment (7.1 – 7.4) under Attachment 7 (Staff Specifications) to the Statement of Work. ➤ Monitoring Crowd Control ➤ Trespass Course ➤ Arrest, Search, and Seizure ➤ Chemical Agents <i>Refer to the BSIS website (https://www.bsis.ca.gov) for additional details on courses.</i>	Guard II's, Guard III's, Supervising Guards & Security Managers

	NAME OF COURSE/CERTIFICATE/PERMIT	STAFF REQUIRED
	Required to be Completed on 1st Day of Assignment at Service Site	
3	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on their first day of deployment at a Service Site: ➤ Post Orders & Assignments ➤ Facility Policies/Orientation ➤ Evacuation Procedures ➤ Handling Difficult People ➤ Workplace Violence* ➤ Officer Safety ➤ Access Control ➤ Compliance Awareness Training (CAT) ➤ Commercial Sexual Exploitation of Children (CSEC 101) ➤ County Wide Privacy Awareness Training ➤ Cybersecurity Awareness Curriculum ➤ HIPPA for Covered Entities <i>*Security Staff will be required to complete a Workplace Violence course annually thereafter.</i>	All Security Staff
4	Training documents for this course will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete this course on their first day of employment under this Agreement: ➤ Just Culture Managers and Supervisors	Supervising Guard & Security Managers
	Post Specific Training	
5	Contractor shall train all Security Staff on use of Contractor-issued vehicles and other transportation, upon a patrol assignment at a Service Site: ➤ Vehicle and Other Transportation Usage	All Security Staff Assigned Vehicles and Other Transportation
6	Contractor shall train all Security Staff on use of equipment used to screen for weapons, including x-ray machines and hand-held magnetometers prior to assignment at a Service Site: ➤ Weapon Detection Equipment Usage	All Security Staff Assigned to Post with Weapon Detection Equipment

	NAME OF COURSE/ CERTIFICATE/PERMIT	STAFF REQUIRED
	Ongoing DHS Training	
7	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on an Annual basis: ➤ Facility Reorientation Handbook ➤ Employee Health Services Annual Tuberculosis Surveillance Training ➤ Workplace Violence	All Security Staff
8	Course documents will be provided by the County. Contractor shall ensure that all Security Staff complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Employees ➤ Sexual Harassment and Discrimination Prevention for Non-Supervisors	Guards
9	Course documents will be provided by the County. Contractor shall ensure all Supervising Guards and Security Managers complete these courses on a Bi-annual basis: ➤ County Policy of Equity for Supervisors ➤ Sexual Harassment and Discrimination Prevention for Supervisors	Supervising Guard & Security Managers

SOW - ATTACHMENT 6

DEPARTMENT NAME: _____

October 2026

STAFF SPECIFICATIONS – SECURITY MANAGER

Security Manager shall be assigned to one or more Services Sites for the management of the Security Staff providing Services under the Agreement, including Supervising Guard, Guard I, II, and III as specified in the Statement of Work. Security Managers may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least two (2) years of full-time paid experience as a security supervisor in a healthcare environment, within the last three (3) years and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing direction and instruction to Post and/or patrolling Supervising Guard by making daily rounds of assigned Location(s) and maintaining Supervising Guard performance.
- Explaining post procedures under Post Orders.
- Providing Training to Supervising Guards under his/her supervision and ensuring that each Supervising Guard fully understands the duties and services to be provided.
- Being available for inspections from DHS personnel.
- Being available to Supervising Guard under his/her supervision at all times during the assigned shift.
- Providing technical and administrative advice to Supervising Guards as appropriate.
- Ensuring adequately assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard's performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and providing necessary support.
- Training applicable security guards on the use of radios and Services Sites codes.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Sites.

BACKGROUND INVESTIGATIONS:

Each Security Manager is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Security Manager or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Security Manager must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Security Managers, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Security Managers are required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Security Manager must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.2

STAFF SPECIFICATIONS – SUPERVISING GUARD

Supervising Guard (also “Supervisor”) shall be assigned to one or more Services Sites for supervision of Guards providing Services under the Agreement, including Guard I, II and III, as specified in the Statement of Work. Supervisors may be required to travel to multiple Services Sites as part of their duties.

EXPERIENCE REQUIREMENTS:

Must have at least (2) years within the last three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring adequate assigned Posts are covered by applicable security guards.
- Providing direction and instructions to applicable security guards.
- Monitoring applicable security guard’s performance.
- Providing technical and administrative support to applicable security guards.
- Responding to emergency and provide necessary support.
- Training applicable security guards on the use of radios and Services Site(s) codes.
- Conducting investigations of incidents and preparing a written memorandum of Security Incident Report (“SIR”) and submitting the SIR to the Service Site designee of County’s Project Manager by the end of the Supervisor’s shift or within twenty-four (24) hours of the incident.
- Covering applicable Post for applicable Guards during breaks, meal, and absences.
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Services Site(s).

BACKGROUND INVESTIGATIONS:

Each Supervising Guard is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor’s staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Supervising Guard or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Supervising Guard must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Supervising Guards, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor’s staff classified as Supervising Guard are required to have a valid California Class “C” Driver’s.

STATEMENT OF WORK – ATTACHMENT 7.2

TRAINING REQUIREMENTS:

Supervising Guard must pass and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD III

Guard III shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard III will be assigned to a Post distinguished by County as a higher potential risk. Guard III may also assume a “Team Lead” role in which they will oversee an area to ensure Guards I and II are performing their duties; immediately respond to issues or concerns raised by Guards I and II related to security matters.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard III must have at least three (3) years of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Providing supportive and a lead role in advising and assisting Guards I and II.
- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons, or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).

STATEMENT OF WORK - ATTACHMENT 7.3

- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard III is required to undergo and pass to the satisfaction of the County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard III or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard III must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard III, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard III may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard III must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STAFF SPECIFICATIONS - GUARD II

Guard II shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard II will be assigned to a Post distinguished by County as a higher potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard II must have at least one (1) year of full-time paid experience as a security guard in a healthcare environment and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Service Site or restricted areas within the Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Site.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Services Sites and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, render first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluating the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by each Service Site.
- Logging activities and events on the Daily Activity Report (DAR).
- When necessary, operating Contractor owned motor vehicle and/or bicycle to conduct inspections around Service Sites.

BACKGROUND INVESTIGATIONS:

Each Guard II is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work. Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard II or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard II must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard II, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard II may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard II must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

STAFF SPECIFICATION - GUARD I

Guard I shall be assigned to Services Site(s) for provision of Services under the Agreement as specified in the Statement of Work. Guard I will be assigned to a Post distinguished by the County as a lower potential risk.

NOTE: County will be responsible for assigning the level of risk for each Post to be covered under the Agreement.

EXPERIENCE REQUIREMENTS:

Guard I must be 18 years of age and have a High School Diploma or equivalent.

EXAMPLES OF DUTIES SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING:

- Ensuring County staff present appropriate County identification when entering a Services Sites, or a restricted area within a Services Site.
- Intervening to prevent injurious acts to persons or damage to County property.
- Safeguarding County property against theft, vandalism and illegal entry.
- Preventing entry of weapons and other illegal contraband into a Services Sites.
- Providing information and assistance to the public as needed.
- Operating Contractor or County owned weapon screening equipment, including x-ray machines and magnetometers, both screen-operated and hand-held, as required by Service Site and document findings.
- Visually screening packages for suspicious markings. If package is suspicious, placing package in an open area and notifying proper authorities, including local law enforcement and Service Site Administrator.
- Locking and unlocking gates and doors; and raising and lowering flags at designated times.
- Ensuring that only authorized personnel are permitted access to closed or restricted areas.
- Responding to reports of ill or injured visitors, patrons or employees, rendering first aid and notifying local law enforcement and Service Site Administrator, as soon as practicably feasible.
- Relaying reports of bomb threats immediately to local law enforcement and Service Site Administrator.
- Responding to the scene of locally activated fire, burglary, or other alarms, evaluate the situation and taking appropriate action.
- Monitoring building alarm systems and electronic surveillance equipment, such as closed-circuit television (CCTV) monitors, in buildings, halls, or parking lots.
- Conducting regular vehicle patrols of Service Sites, utilizing Contractor-issued motor vehicles, bicycles or scooters as required by Service Sites.
- Logging activities and events on the Daily Activity Report (DAR).

BACKGROUND INVESTIGATIONS:

Each Guard I is required to undergo and pass to the satisfaction of County a background investigation in accordance with the terms of the Agreement, including the Statement of Work.

STATEMENT OF WORK – ATTACHMENT 7.5

Contractor's staff with any of the following in their background will not be permitted to provide Services under the Agreement as a Guard I or otherwise:

- Felony conviction
- Conviction for a sex offense
- Military conduct that involved dishonorable discharge, bad conduct, or an undesirable discharge
- Any conviction of drunk or reckless driving within the last three (3) years

MEDICAL HEALTH SCREENING:

Guard I must be medically qualified to perform the essential duties under the Agreement. Candidates for this position shall undergo a health screening before commencement of Services under the Agreement, and annually thereafter, as required by County. County may require Contractor to provide medical certifications for any Security Staff, including Guard I, if County determines that their physical condition appears to be questionable.

LICENSE REQUIREMENTS:

Contractor's staff classified as Guard I may be required to have a valid California Class "C" Driver's License.

TRAINING REQUIREMENTS:

Guard I must complete the applicable training and meet the requirements specified in Attachment 5 (Training Requirements) to the Statement of Work.

EXHIBIT C
PRICING SCHEDULE

This Exhibit C (Pricing Schedule) to the Agreement sets forth the pricing and payment terms for provision of Services pursuant to the Agreement. The terms or phrases used herein without definitions shall have the meanings given to such in the Agreement, including the Statement of Work.

1.0 PRICING AND PAYMENTS

1.1 SERVICE FEES

The fees for Services ("Service Fee(s)") specified in this Pricing Schedule are the maximum amounts that shall be payable by County to Contractor for the Services provided pursuant to the Agreement. Unless amended pursuant to a duly authorized amendment to the Agreement, the Service Fees shall not increase during the term of the Agreement. Contractor shall invoice County the Service Fees for Services provided in accordance with the requirements of the Statement of Work. Unless otherwise provided in the Agreement, Service Fees shall include any and all costs and fees associated with the provision of Services.

Contractor shall provide all Services and fulfill all requirements of the Statement of Work in exchange for the Service Fees specified below.

1.2 PRICING TERMS

Pricing and reimbursement for Services provided pursuant to the Agreement shall be subject to the following terms and conditions:

Security Staff Classification	Year 1 Hourly Rate	Year 2 Hourly Rate	Year 3 Hourly Rates	Year 4 Hourly Rate	Year 5 Hourly Rate
Guard I	\$35.59	\$35.59	\$35.59	\$35.59	\$35.59
Guard II	\$36.31	\$36.31	\$36.31	\$36.31	\$36.31
Guard III	\$37.48	\$37.48	\$37.48	\$37.48	\$37.48
Supervising Guard	\$38.94	\$38.94	\$38.94	\$38.94	\$38.94
Security Manager	\$48.71	\$50.16	\$51.65	\$53.20	\$54.80
Project Manager	\$56.49	\$58.25	\$60.07	\$61.95	\$63.90
Project Director	\$73.24	\$75.59	\$78.01	\$80.53	\$83.13
Area 4: Maximum Obligation			\$67,058,316		

2.0 INVOICING

2.1 INVOICING

Terms	☒ Monthly in Arrear ☐ Monthly in Advance ☐ Other _____
Due Date	☐ 15 th of each month ☐ End of each month ☐ Other _____
Submission	To contact(s) for billing identified in Exhibit E (County's Administration) or Attachment 1 (Service Sites) under Exhibit A (Statement of Work), as applicable.

Unless otherwise instructed by County, Contractor shall submit a separate invoice for each Service Site, if any, to County's Project Manager or the Service Site PM, as applicable. All invoices submitted by Contractor shall include a billing summary of the Services provided. County and Contractor will agree on the invoice format, which shall include, at a minimum, the information specified below:

1. Invoice #
2. Invoice Date
3. Service Site, if any
4. Date of Services
5. Description of Services
6. Service Fees
7. Total invoice amount

2.2 EXPENSES

Unless specified otherwise in the Agreement or the Statement of Work, the Service Fees specified in this Pricing Schedule are the only amounts that Contractor may charge County and be reimbursed for provision of Services under the Agreement, and County shall not pay Contractor overtime premiums, travel expenses, meals, lodging, holidays, vacation, sick leave, per diem or any other expenses that may be incurred by Contractor in the course of provision of the Services.

If Contractor is authorized under the Agreement or by County to be reimbursed for expenses (mileage, parking, etc.) incurred in the course of provision of Services in addition to the Service Fees payable under the Agreement, the reimbursement rates for such expenses shall not exceed those approved by County for reimbursement to County employees.

EXHIBIT D
ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR'S NAME Inter-Con Security Systems, Inc.

COUNTY AGREEMENT NO. _____

GENERAL INFORMATION:

Contractor referenced above has entered into the County Agreement identified above (hereafter "County Agreement") to provide certain services to the County of Los Angeles (hereafter "County"). County requires Contractor to sign this Contractor Acknowledgement and Confidentiality Agreement (hereafter "Confidentiality Agreement").

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that Contractor employees, consultants, outsourced vendors, independent contractors and agents (hereafter "Contractor's Staff") that will provide services pursuant to the above referenced County Agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced County Agreement.

Contractor understands and agrees that Contractor's Staff are not employees of County for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of work under the above-referenced County Agreement. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by County and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with County. County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor understands and agrees that if it or Contractor's Staff are involved in County work, County must ensure that Contractor and Contractor's Staff will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by it or Contractor's Staff for County.

Contractor, on behalf of itself and Contractor's Staff, hereby agrees that neither it nor Contractor's will divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced County Agreement. Contractor agrees that it and Contractor's Staff shall forward to County's Project Manager all requests for the release of any data or information received.

Contractor agrees that it and Contractor's Staff shall keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from County, design concepts, algorithms, programs, formats,

documentation, Contractor's proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the County Agreement. Contractor further agrees that it and Contractor's Staff shall protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor also agrees that if proprietary information supplied by other County vendors is provided to Contractor's Staff during employment, Contractor and Contractor's Staff shall keep such information confidential during and following the term of the County Agreement.

Contractor agrees that it and Contractor's Staff shall report any and all violations of this Confidentiality Agreement by Contractor or Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor acknowledges that violation of this Confidential Agreement by Contractor or Contractor's Staff may subject Contractor and Contractor's Staff to civil and/or criminal action and that County may seek all possible legal redress.

SIGNATURE: 
PRINTED NAME: Kevin Hernandez

DATE: 4/29/2026
POSITION: Chief Strategy Officer

EXHIBIT E
COUNTY'S ADMINISTRATION

COUNTY'S PROJECT DIRECTOR

Name Julio C. Alvarado

Title Director, Contracts Administration & Monitoring

Phone (213) 288-7819

Email jalvarado@dhs.lacounty.gov

COUNTY'S PROJECT MANAGER

Name Matthew Ohan

Title Staff Analyst, Health

Phone 562-385-6563

Email mohan@dhs.lacounty.gov

SERVICE SITE – SERVICE SITE PROJECT MANAGER / BILLING

Name Joseph Mesina

Title Fiscal Officer II

Phone 626-525-5265

Email jomesina@dhs.lacounty.gov

EXHIBIT F
CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S WEBVEN VENDOR ID: 198168

CONTRACTOR'S PROJECT DIRECTOR

Name Michael Bogosian

Title VP Operations

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email mbogosian@icsecurity.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name Kevin Hernandez

Title Chief Strategy Officer

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email KHernandez@icsecurity.com

Name Richard Stack

Title Chief Operating Officer

Address 210 S. De Lacey Ave Pasadena, CA 91105

Phone 626-535-2200

Email RStack@icsecurity.com

EXHIBIT G
CHARITABLE CONTRIBUTIONS CERTIFICATION

[Vendor/Contractor]: Inter-Con Security Systems, Inc

Address: 210 S. De Lacey Ave Pasadena, CA 91105

Internal Revenue Service Employer Identification Number: 95-3020192

☐ The Agency or Contractor is exempt from the California Nonprofit Integrity Act.

California Registry of Charitable Trusts "CT" number (if applicable): _____

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒ Vendor or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Vendor engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐ Vendor or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.



Signature

Date: 04-29-2026

Name of Signer: Kevin Hernandez

Title: Chief Strategy Officer