

**\*\*\*Please Note Time and Location of Meeting\*\*\***

**CONTRA COSTA COUNTY BOARD OF EDUCATION**

County Office of Education, Board Room, 3<sup>rd</sup> Floor

77 Santa Barbara Road, Pleasant Hill, CA 94523

(925) 942-3380

www.cocoschools.org

**Wednesday, October 15, 2014**

**Start Time: 5:00 p.m.**

**BOARD OF EDUCATION**

Pamela M. Mirabella, Clerk	Trustee Area 1
Christine Deane	Trustee Area 2
Daniel A. Gomes, Vice President	Trustee Area 3
Richard P. Asadoorian	Trustee Area 4
Cynthia T. Ruehlig	Trustee Area 5

Ellen M. Elster - In Memoriam

**COUNTY SUPERINTENDENT OF SCHOOLS**

Joseph A. Ovick, Ed.D.

*To ensure an orderly meeting and an equal opportunity for each speaker, persons wishing to address the Board must fill out a speaker's card. Cards are located at the entrance to the Board Room and should be turned in to the Clerk to the Board. \*The president may limit each speaker to three minutes and/or set a limit of twenty minutes for all speakers on any one subject, or the three-minute limit may be shortened. In accordance with the Brown Act, if a member of the public addresses an item not on the posted agenda, no discussion or action on that item may occur. The projected timeline is a projection only, not a limitation on the length of any agenda item, and may be revised at the meeting. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the County Office of Education to a majority of members of the Board of Education less than 72 hours prior to that meeting are available for public inspection at 77 Santa Barbara Road, Pleasant Hill, California, during normal business hours. The County Board of Education will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk to the Board at least 48 hours before the meeting at (925) 942-3380 or Ljoseph@cccoe.k12.ca.us.*

**AGENDA**

**PROJECTED  
TIMELINE**

**ORDER OF BUSINESS**

**5:00 p.m.**

1. **CALL TO ORDER**
2. **OPENING PROCEDURES**
  - 2.1 Pledge of Allegiance
  - 2.2 Roll Call
  - 2.3 Agenda Review and Adoption

**3 min/speaker\***

3. **PUBLIC COMMENT**
  - 3.1 Items on the Agenda
  - 3.2 Items of Interest to the Public
4. **RECOGNITIONS - none**
5. **CLOSED SESSION – none**

**Discussion/Vote**

**6. PUBLIC HEARINGS**

**6.1 Public Hearing on the Petition to Renew the Clayton Valley Charter High School**

**Information/  
Discussion**

*Per Education Code sections 47605 and 47607, the County Board of Education shall hold a public hearing on the provisions of the charter renewal petition. At the public hearing, all parties having an interest in the charter petition shall be heard by the Board.*

**6.1.1 Open Public Hearing**

**5 minutes**

**6.1.2 Comments from Bill Clark, Associate Superintendent, Business Services, introducing the petition to renew the Clayton Valley Charter High School**

**10 minutes**

**6.1.3 Comments from Petitioners**

**2 min. per spkr\***

**6.1.4 Comments from the Public**

**6.1.5 Close Public Hearing**

**7. ADMINISTRATIVE ITEMS - Action and/or Information**

**7.1 Superintendent (Ovick)**

**7.1.1 Superintendent's Report**

**Information**

**7.2 Business Services**

**7.2.1 Consider Adoption of Resolution No. 2-14/15 to establish the Appropriations Limit on Proceeds of Taxes, Gann Limit, for 2013-14 and for the estimated 2014-15**

**Roll Call Vote**

*Bill Clark, Associate Superintendent, Business Services, has calculated the Appropriations Limit for 2013-14 and the estimated appropriations for 2014-15.*

**7.2.2 Consider Board Resolution No. 3-14/15 in the Matter of the Contra Costa County Board of Education Authorizing an Agreement between the State of California Department of Health Care Services and the Contra Costa County Office of Education and Authorizing Bill Clark, Associate Superintendent, Business Services, to Execute Said Agreement**

**Roll Call Vote**

*This agreement authorizes the Contra Costa County Office of Education to perform Medi-Cal Administrative Activities (MAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal Program.*

**7.2.3 Consider Adoption of Board Resolution 4-14/15 in the matter of Contra Costa County Board of Education authorizing Agreement No. 5600004822 between the State of California Department of Corrections and Rehabilitation and the Contra Costa County Office of Education**

**Roll Call Vote**

*This contract authorizes the Contra Costa County Office of Education to operate and administer the Institutional Transition Program. The agreement No. 5600004822 in the amount of \$560,000 is for the period July 1, 2014 through June 30, 2016.*

**3 min/speaker\***

7.2.4	Staff Report (Clark)	Information
7.3	Educational Services	
7.3.1	Staff Report (Comfort)	Information
7.4	Human Resources	
7.4.1	Staff Report (Gaines/Sakata)	Information
7.5	Communications (Koehne)	
7.5.1	Staff Report	Information
7.6	Technology Systems	
7.6.1	Staff Report (Carey)	Information
7.7	Board	
7.7.1	Legislative Update	Information
	<i>There will be a review of current legislation regarding educational matters.</i>	
7.7.2	Board Member Pamela Mirabella will present the West Contra Costa Unified School District Board of Education "State of Our Schools Award" to Joseph A. Ovick, Ed.D., County Superintendent of Schools	Information
8.	<b>PUBLIC COMMENT</b>	
8.1	Items of Interest to the Public	
9.	<b>CONSENT ACTIONS</b>	Vote
	<i>By single motion, the Board approves/adopts/accepts/grants the following items or actions which reflect application of Board Policy and California Education Code. Any items marked "Consent" may be moved from the list at the option of a Board member or the Superintendent and acted on separately. Members of the public may comment on any "Consent" items during the Public Comment portion of the Board's meeting.</i>	
9.1	Consider approval of minutes for the October 1, 2014 Board meeting	
	<i>The Board will consider approving the minutes from the 10/1/14 Board meeting.</i>	
9.2	Consider Acceptance of Public Gifts	
	<i>Donation of \$120.00 from Ms. Lynda D. Williams for East County Liberty Transition Program.</i>	
9.3	Consider acceptance of a \$50,000 grant from the City of San Pablo to prepare 35 middle and secondary school students to graduate from high school, be career ready, and in college	
	<i>Accept grant award from the City of San Pablo for Youth Development Services (YDS).</i>	
10.	<b>CORRESPONDENCE/EVENTS CALENDAR</b>	Information
10.1	Correspondence: None.	

**10.2** Calendar of Events:

December 14 – 16, CSBA Annual Conference, Moscone Center, San Francisco

December 16, Qtly Awards Ceremony, WCDF, 11:00 a.m. – 12:00 p.m.

December 17, Qtly Awards Ceremony, MCDF, 10:30 – 11:30 a.m.

**11. BOARD REPORTS OF ACTIVITIES**

*In addition to written reports, Board members may present oral reports of their activities.*

**12. ADJOURNMENT**

**Information**

*The next regular meeting of the County Board of Education will be on Wednesday, November 5, 2014 at 5:00 p.m. at the County Office of Education, 77 Santa Barbara Road, Board Room, Pleasant Hill, CA. Agenda items for this meeting should be submitted to the Clerk to the Board no later than 4:00 p.m., October 29, 2014.*



**CONTRA COSTA COUNTY BOARD OF EDUCATION**

**AGENDA ITEM**

**ISSUE**

Public Hearing on the Petition to Renew the Clayton Valley Charter High School

**ANALYSIS**

Per Education Code sections 47605 and 47607, the County Board of Education shall hold a public hearing on the provisions of the charter renewal petition. At the public hearing, all parties having an interest in the charter petition shall be heard by the Board.

**RECOMMENDATION**

For information only

Approved   
Associate Superintendent

Item No. 6.1

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Date 10/09/14

Bd. Agenda 10/15/14

**CONTRA COSTA COUNTY BOARD OF EDUCATION**

**AGENDA ITEM**

**ISSUE**

Consider adoption of Resolution No. 2-14/15 to establish the Appropriations Limit on Proceeds of Taxes, Gann Limit, for 2013-14 and for the estimated 2014-15.

**ANALYSIS**

Bill Clark, Associate Superintendent, Business Services, has calculated the Appropriations Limit for 2013-14 and the estimated appropriations for 2014-15. Enclosed are copies of the calculations showing adjusted Appropriations Limit of \$24,018,694 and the appropriation subject to limit of \$24,018,694 for 2013-14 fiscal year. For the year 2013-14, Contra Costa County Office of Education is in compliance with the Gann Limit. The estimated 2014-15 Gann Limit is \$24,398,457. Adoption of a resolution by the Board is appropriate.

**RECOMMENDATION**

Adopt Resolution No. 2-14/15 to establish the Appropriations Limit on Proceeds of Taxes, Gann Limit, for 2013-14 and the estimate for 2014-15.

Approved                     Bill Clark                      
                    Associate Superintendent

Item No.           7.2.1          

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Date                     10/09/14                    

Bd. Agenda 10/15/14

IN THE COUNTY BOARD OF EDUCATION

OF

CONTRA COSTA COUNTY, STATE OF CALIFORNIA

In the Matter of Adopting )  
the 2013-14 Appropriations )  
Limitation Recalculation )  
and the 2014-15 Estimated )                      Resolution No. 2-14/15  
Appropriations Limitation )  
Calculation for the Gann )  
Calculation )

WHEREAS, Article XIII B of the Constitution of the State of California, as approved by the voters in November, 1979, requires the establishment of Appropriations Limits on "Proceeds of taxes" revenues for public agencies beginning with the 1980-81 fiscal year end, and

WHEREAS, each public agency is required to determine and adopt such Appropriations Limits for the 2013-14 fiscal year, and the estimate for the 2014-15 year, as a legislative act, and

WHEREAS, this agency's Appropriations Limits have been calculated in accordance with Article XIII B of the State Constitution and Division 9 of Title 1 of the Government Code.

BE IT THEREFORE RESOLVED, as a legislative act of this Governing Board, that for the purposes of Article XIII B, there is hereby established this agency's "appropriations limits" of \$24,018,694 and the appropriations subject to limit of \$24,018,694 for 2013-14. The estimated 2014-15 Gann Limit is \$24,398,457.

Passed and adopted by the Contra Costa County Board of Education at a regular meeting held on October 15, 2014 and voted upon as follows:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

I certify that the foregoing Resolution was duly introduced, passed and adopted as stated.

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Daniel A. Gomes, Vice President  
Contra Costa County Board of Education

Following is a summary of the critical data elements contained in your unaudited actual data. Since these data may have fiscal implications for your agency, please verify their accuracy before filing your unaudited actual financial reports.

Form	Description	Value
GANN	Adjustments to Appropriations Limit Per Government Code Section 7902.1 If this amount is not zero, it represents an increase to your appropriations limit. The Department of Finance must be notified of increases within 45 days of budget adoption.	\$0.00
	Adjusted Appropriations Limit	\$24,018,694.21
	Appropriations Subject to Limit	\$24,018,694.21
	These amounts represent the board approved Appropriations Limit and Appropriations Subject to Limit pursuant to Government Code Section 7907 and EC 1629.	
ICR	Preliminary Proposed Indirect Cost Rate Fixed-with-carry-forward indirect cost rate for use in 2015-16, subject to CDE approval.	12.10%
NCMOE	No Child Left Behind (NCLB) Maintenance of Effort (MOE) Determination If MOE Not Met, the 2015-16 apportionment may be reduced by the lesser of the following two percentages: MOE Deficiency Percentage - Based on Total Expenditures MOE Deficiency Percentage - Based on Expenditures Per ADA	MOE Met

	2013-14 Calculations			2014-15 Calculations		
	Extracted Data	Adjustments*	Entered Data/Totals	Extracted Data	Adjustments*	Entered Data/Totals
<b>A. PRIOR YEAR DATA</b>	<b>2012-13 Actual</b>			<b>2013-14 Actual</b>		
(2012-13 Actual Appropriations Limit and Gann ADA are from county's prior year Gann data reported to the CDE)						
<b>PRIOR YEAR APPROPRIATIONS LIMIT</b>						
1. Program Portion of Prior Year Appropriations Limit (Preload/Line D16c, PY column)	11,922,665.73		11,922,665.73			12,896,566.30
2. Other Services Portion of Prior Year Appropriations Limit (Preload/Line D16d, PY column)	10,604,801.92		10,604,801.92			11,122,127.91
3. TOTAL PRIOR YEAR APPROPRIATIONS LIMIT (Lines A1 plus A2)	22,527,467.65	0.00	22,527,467.65			24,018,694.21
<b>PRIOR YEAR GANN ADA</b>						
4. Program ADA (Preload/Line B3, PY column)	409.48		409.48			421.37
5. Other ADA (Preload/Line B4, PY column)	161,900.12		161,900.12			161,532.76
<b>ADJUSTMENTS TO PRIOR YEAR LIMIT AND ADA</b>	<b>Adjustments to 2012-13</b>			<b>Adjustments to 2013-14</b>		
<b>ADJUSTMENTS TO PRIOR YEAR LIMIT</b>						
6. Reorganizations and Other Transfers						
7. Temporary Voter Approved Increases						
8. Less: Lapses of Voter Approved Increases						
9. TOTAL ADJUSTMENTS TO PRIOR YEAR LIMIT (Lines A6 plus A7 minus A8)			0.00			0.00
10. Adjustments to Program Portion ((Lines A1 divided by A3) times Line A9)	0.00		0.00	0.00		0.00
11. Adjustments to Other Services Portion (Lines A9 minus A10)			0.00			0.00
<b>ADJUSTMENTS TO PRIOR YEAR ADA</b> (Only for reorganizations and other transfers, and only if adjustments to the appropriations limit amounts are entered in Line A6 or A10 above)						
12. Adjustments to Program ADA						
13. Adjustments to Other ADA						
<b>B. CURRENT YEAR GANN ADA</b>	<b>2013-14 Annual Report</b>			<b>2014-15 Annual Estimate</b>		
<b>CURRENT YEAR PROGRAM ADA</b> (2013-14 data should tie to Principal Apportionment Software Attendance reports and include ADA for charter schools reporting with the COE)						
1. Total County Program ADA (Form A, Line B1e)	421.37		421.37	438.00		438.00
2. Total Charter Schools ADA (Form A, Line C4)	0.00		0.00	0.00		0.00
3. Total Current Year ADA (Lines B1 through B2)	421.37	0.00	421.37	438.00	0.00	438.00
	<b>2013-14 P2 Report</b>			<b>2014-15 P2 Estimate</b>		
4. Total District Gann ADA (District Form GANN, Line B3)			161,532.76			160,471.17
<b>C. LOCAL PROCEEDS OF TAXES/STATE AID RECEIVED</b>	<b>2013-14 Actual</b>			<b>2014-15 Budget</b>		
<b>TAXES AND SUBVENTIONS (Funds 01, 09, and 62)</b>						
1. Homeowners' Exemption (Object 8021)	234,158.63		234,158.63	232,873.00		232,873.00
2. Timber Yield Tax (Object 8022)	0.27		0.27	0.00		0.00
3. Other Subventions/In-Lieu Taxes (Object 8029)	1,482.20		1,482.20	244.00		244.00
4. Secured Roll Taxes (Object 8041)	21,623,466.51		21,623,466.51	21,846,395.00		21,846,395.00
5. Unsecured Roll Taxes (Object 8042)	942,863.31		942,863.31	936,551.00		936,551.00
6. Prior Years' Taxes (Object 8043)	0.00		0.00	0.00		0.00
7. Supplemental Taxes (Object 8044)	365,660.86		365,660.86	229,546.00		229,546.00
8. Ed. Rev. Augmentation Fund (ERAF) (Object 8045)	122,048.38		122,048.38	983,761.00		983,761.00
9. Penalties and Int. from Delinquent Taxes (Object 8048)	0.00		0.00	0.00		0.00
10. Receipts from County Bd. of Supervisors (Object 8070)	0.00		0.00	0.00		0.00
11. Other In-Lieu Taxes (Object 8082)	0.00		0.00	0.00		0.00
12. Comm. Redevelopment Funds (Objects 8047 & 8625)	861,951.09		861,951.09	170,183.00		170,183.00
13. Parcel Taxes (Object 8621)	0.00		0.00	0.00		0.00
14. Other Non-Ad Valorem Taxes (Object 8622) (Taxes only)	0.00		0.00	0.00		0.00
15. Penalties and Int. from Delinquent Non-Revenue Limit Taxes (Object 8629) (Only those for the above taxes)	0.00		0.00	0.00		0.00
16. Transfers to Charter Schools in Lieu of Property Taxes (Object 8096)	0.00		0.00	0.00		0.00
17. TOTAL TAXES AND SUBVENTIONS (Lines C1 through C16)	24,151,631.25	0.00	24,151,631.25	24,399,553.00	0.00	24,399,553.00

	2013-14 Calculations			2014-15 Calculations		
	Extracted Data	Adjustments*	Entered Data/Totals	Extracted Data	Adjustments*	Entered Data/Totals
OTHER LOCAL REVENUES (Funds 01, 09, and 62)						
18. To General Fund from Bond Interest and Redemption Fund (Excess debt service taxes) (Object 8914)						
19. TOTAL LOCAL PROCEEDS OF TAXES (Lines C17 plus C18)	24,151,631.25	0.00	24,151,631.25	24,399,553.00	0.00	24,399,553.00
<b>EXCLUDED APPROPRIATIONS</b>						
20. Medicare (Enter federally mandated amounts only from objs. 3301 and 3302; do not include negotiated amounts)			1,405,974.00			1,349,171.00
<b>OTHER EXCLUSIONS</b>						
21. Americans with Disabilities Act						
22. Unreimbursed Court Mandated Desegregation Costs						
23. Other Unfunded Court-ordered or Federal Mandates						
24. TOTAL EXCLUSIONS (Lines C20 through C23)			1,405,974.00			1,349,171.00
<b>STATE AID RECEIVED (Funds 01, 09, and 62)</b>						
25. LCFF - CY (objects 8011 and 8012)	14,181,278.69		14,181,278.69	13,957,444.00		13,957,444.00
26. LCFF/Revenue Limit State Aid - Prior Years (Object 8019)	1,039,070.09		1,039,070.09	0.00		0.00
27. TOTAL STATE AID RECEIVED (Line C25 plus C26)	15,220,348.78	0.00	15,220,348.78	13,957,444.00	0.00	13,957,444.00
<b>DATA FOR INTEREST CALCULATION</b>						
28. Total Revenues (Funds 01, 09 & 62, objects 8000-8799)	66,807,902.92		66,807,902.92	64,632,965.00		64,632,965.00
29. Total Interest and Return on Investments (Funds 01, 09, and 62, objects 8660 and 8662)	41,736.97		41,736.97	5,500.00		5,500.00
<b>APPROPRIATIONS LIMIT CALCULATIONS</b>						
<b>D. PRELIMINARY APPROPRIATIONS LIMIT</b>						
1. Revised Prior Year Program Limit (Lines A1 plus A10)			11,922,665.73			12,896,566.30
2. Inflation Adjustment			1.0512			0.9977
3. Program Population Adjustment (Lines B3 divided by [A4 plus A12]) (Round to four decimal places)			1.0290			1.0395
4. PRELIMINARY PROGRAM LIMIT (Lines D1 times D2 times D3)			12,896,566.30			13,375,146.91
5. Revised Prior Year Other Services Limit (Lines A2 plus A11)			10,604,801.92			11,122,127.91
6. Inflation Adjustment			1.0512			0.9977
7. Other Services Population Adj. (Lines B4 divided by [A5 plus A13]) (Round to four decimal places)			0.9977			0.9934
8. PRELIMINARY OTHER SERVICES LIMIT (Lines D5 times D6 times D7)			11,122,127.91			11,023,309.81
9. PRELIMINARY TOTAL APPROPRIATIONS LIMIT (Lines D4 plus D8)			24,018,694.21			24,398,456.72
<b>APPROPRIATIONS SUBJECT TO THE LIMIT</b>						
10. Local Revenues Excluding Interest (Line C19)			24,151,631.25			24,399,553.00
11. Preliminary State Aid Calculation						
a. Maximum State Aid in Local Limit (Lesser of Line C27 or [Lines D9 minus D10 plus C24]; if negative, then zero)			1,273,036.96			1,348,074.72
12. Local Revenues in Proceeds of Taxes						
a. Interest Counting in Local Limit (Lines C29 divided by [C28 minus C29] times [D10 plus D11a])			15,893.51			2,191.20
b. Total Local Proceeds of Taxes (Lines D10 plus D12a)			24,167,524.76			24,401,744.20
13. State Aid in Proceeds of Taxes (lesser of Line D11a or [Lines D9 minus D12b plus C24]; if negative, then zero)			1,257,143.45			1,345,883.52
14. Total Appropriations Subject to the Limit						
a. Local Revenues (Line D12b)			24,167,524.76			
b. State Subventions (Line D13)			1,257,143.45			
c. Less: Excluded Appropriations (Line C24)			1,405,974.00			
d. TOTAL APPROPRIATIONS SUBJECT TO THE LIMIT (Lines D14a plus D14b minus D14c)			24,018,694.21			

	2013-14 Calculations			2014-15 Calculations		
	Extracted Data	Adjustments*	Entered Data/Totals	Extracted Data	Adjustments*	Entered Data/Totals
<b>15. Adjustments to the Limit Per Government Code Section 7902.1</b> (Line D14d minus D9; if negative, then zero)  If not zero report amount to: Michael Cohen, Director State Department of Finance Attention: School Gann Limits State Capitol, Room 1145 Sacramento, CA 95814			0.00			
<b>16. Apply to Program and Other Services</b> a. Program Portion of Adjustment (Lines [D4 divided by D9] times D15)	0.00		0.00			
b. Other Services Portion of Adjustment (Lines D15 minus D16a)			0.00			
c. Final Program Portion of Limit (Lines D4 plus D16a)			12,896,566.30			
d. Final Other Services Portion of Limit (Lines D8 plus D16b)			11,122,127.91			
<b>SUMMARY</b>						
<b>17. Adjusted Appropriations Limit</b> (Lines D16c plus D16d)			24,018,694.21			24,398,456.72
<b>18. Appropriations Subject to the Limit</b> (Line D14d)			24,018,694.21			

\* Please provide below an explanation for each entry in the adjustments column.

Jane Lin/Budget and Accounting Manager  
 Gann Contact Person

(925) 942-3458  
 Contact Phone Number

**CONTRA COSTA COUNTY BOARD OF EDUCATION**

**AGENDA ITEM**

**ISSUE**

Consider Board Resolution No. 3-14/15 in the Matter of the Contra Costa County Board of Education Authorizing an Agreement Between the State of California Department of Health Care Services and the Contra Costa County Office of Education and Authorizing Bill Clark, Associate Superintendent, Business Services, to Execute Said Agreement.

**ANALYSIS**

This agreement authorizes the Contra Costa County Office of Education to perform Medi-Cal Administrative Activities (MAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal Program.

**RECOMMENDATION**

Adopt Resolution No. 3-14/15

Approved   
Associate Superintendent

Item No. 7.2.2

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Date 10/09/14

Bd. Agenda 10/15/14



**IN THE COUNTY BOARD OF EDUCATION**  
**OF**  
**CONTRA COSTA COUNTY, STATE OF CALIFORNIA**

In the Matter of Resolution of the )  
Contra Costa County Board of Education )  
Authorizing an Agreement Between the )  
State of California Department of ) Board Resolution No. 3-14/15  
Health Care Services and the Contra Costa )  
County Office of Education and )  
Authorizing Bill Clark, Associate )  
Superintendent, Business Services, to )  
Execute Said Agreement )

**WHEREAS**, the Contra Costa County Board of Education wishes to enter into an agreement with the State of California Department of Health Care Services (DHCS) for a maximum amount of \$50,000,000 (Agreement #14-90017) for the period of July 1, 2014, through June 30, 2016, and

**WHEREAS**, this agreement authorizes the Contra Costa County Office of Education to perform Medi-Cal Administrative Activities (MAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal Program.

**NOW, THEREFORE, BE IT RESOLVED** that the Contra Costa County Board of Education agrees to enter into the above agreement, and

**BE IT FURTHER RESOLVED** that Bill Clark, Associate Superintendent, Business Services, is hereby authorized to execute said agreement, amendments, or changes to agreement.

**PASSED AND ADOPTED** this 15<sup>th</sup> day of October 2014, by the following vote of the Board:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

I hereby certify that the foregoing resolution was duly introduced, passed, and adopted.

\_\_\_\_\_  
Daniel A Gomes, Vice President  
Contra Costa County Board of Education

STATE OF CALIFORNIA  
**STANDARD AGREEMENT**  
 STD 213\_DHCS (Rev. 01/13)

REGISTRATION NUMBER	AGREEMENT NUMBER 14-90017
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- This Agreement is entered into between the State Agency and the Contractor named below:  

STATE AGENCY'S NAME Department of Health Care Services	(Also known as DHCS, CDHS, DHS or the State)
CONTRACTOR'S NAME Contra Costa County Office of Education, Region 4	(Also referred to as Contractor)
- The term of this Agreement is: July 1, 2014 or until approved by DGS, whichever is later, through June 30, 2016
- The maximum amount of this Agreement is: \$ 50,000,000  
Fifty Million Dollars
- The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	7 pages
Exhibit B – Budget Detail and Payment Provisions	6 pages
Exhibit C * – General Terms and Conditions	<u>GTC 610</u>
Exhibit D (F) – Special Terms and Conditions (Attached hereto as part of this agreement)	26 pages
Exhibit E – Additional Provisions	5 pages
Exhibit F – HIPAA Business Associate Addendum	14 pages
Exhibit G – Information Confidentiality and Security Requirements	7 pages
Exhibit H – Travel Reimbursement Information	2 pages
Exhibit I – Contractor's Release	1 page

Items shown above with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at [http://www.ols.dgs.ca.gov/Standard\\_Language/default.htm](http://www.ols.dgs.ca.gov/Standard_Language/default.htm).

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

<b>CONTRACTOR</b>		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Contra Costa County Office of Education, Region 4		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Bill Clark, Associate Superintendent, Business Services		
ADDRESS 77 Santa Barbara Road Pleasant Hill, CA 94523		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME Department of Health Care Services		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Andrew Young, Chief, Contract Management Unit		
ADDRESS 1501 Capitol Avenue, Suite 71.5195, MS 1403, P.O. Box 997413, Sacramento, CA 95899-7413		
		<input type="checkbox"/> Exempt per:

**AGREEMENT SUMMARY**

STD 215\_DHCS (Rev 01/13)

AGREEMENT NUMBER <b>14-90017</b>	AMENDMENT NUMBER
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CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1. CONTRACTOR'S NAME <b>Contra Costa County Office of Education, Region 4</b>	2. FEDERAL I.D. NUMBER <b>94-2685635</b>
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3. AGENCY TRANSMITTING AGREEMENT <b>Department of Health Care Services</b>	4. DIVISION, BUREAU, OR OTHER UNIT <b>Safety Net Financing Division</b>	5. AGENCY BILLING CODE <b>085065</b>
---	--	---

6. NAME AND TELEPHONE NUMBER OF CONTRACT ANALYST FOR QUESTIONS REGARDING THIS AGREEMENT  
**Stephanie Muzzi (Smuzzi@dhcs.ca.gov) 650-0181**

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?  
 NO       YES (If YES, enter prior contractor name and Agreement Number)      **Contra Costa County Office of Education, Region 4**  
**11-88019**

8. BRIEF DESCRIPTION OF SERVICES - LIMIT 72 CHARACTERS INCLUDING PUNCTUATION AND SPACES  
**Perform Medi-Cal Administrative Activities on behalf of DHCS**

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)  
**The Contra Costa County Office of Education, Region 4 shall perform Medi-Cal Administrative Activities (MAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal program by improving the availability and accessibility of Medi-Cal services to Medi-Cal eligible and potentially eligible individuals and their families. Each year, the Contractor will perform increased targeted outreach activities on 15% of the non-participating LEA's within Region 4, that have the highest average daily attendance.**

**Late Reason:**

10. PAYMENT TERMS (More than one may apply.)  
 MONTHLY FLAT RATE       QUARTERLY       ONE -TIME PAYMENT       PROGRESS PAYMENT  
 ITEMIZED INVOICE       WITHHOLD 10 %       ADVANCED PAYMENT NOT TO EXCEED  
 REIMBURSEMENT / REVENUE / INCOMING FUNDS      \$ \_\_\_\_\_ or \_\_\_\_\_ %  
 OTHER (Explain) **See Exhibit B (Budget Detail and Payment Terms)**

11. PROJECTED EXPENDITURES FUND TITLE	ITEM	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
Health Care Deposit Fund	4260 603 0912	14/15		2014	\$ 25,000,000
Health Care Deposit Fund	4260 603 0912	15/16		2015	\$ 25,000,000
Health Care Deposit Fund	4260 603 0912				\$ 0

OBJECT CODE **14-95929 9912 702**      **AGREEMENT TOTAL \$ 50,000,000**

OPTIONAL USE **Funding is subject to passage of Governor's Budget**      \$  
*I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.*      \$

ACCOUNTING OFFICER'S SIGNATURE      DATE SIGNED      TOTAL AMOUNT ENCUMBERED TO DATE  
*Signature not required for a no cost transaction.*           \$

12. AGREEMENT	TERM		TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
	From	Through		
Original	07/01/14	06/30/16	\$ 50,000,000	Exempt. See Item 13.
Amendment No. 1			\$	
Amendment No. 2			\$	
Amendment No. 3			\$	
<b>TOTAL</b>			<b>\$ 50,000,000</b>	

(Continue)

13. BIDDING METHOD USED:

- REQUEST FOR PROPOSAL (RFP)       INVITATION FOR BID (IFB)       USE OF MASTER SERVICE AGREEMENT  
 Primary       Secondary
- SOLE SOURCE CONTRACT / NCB (Attach STD. 821 and NCB approval)     
  EXEMPT FROM BIDDING (Give authority for exempt status)     
  OTHER (Explain) **SCM 5.80B.2.b-Subvention/local asst/direct service**

NOTE: Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)

N/A - Exempt from bidding. See Item 13.

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S) (If an amendment, sole source, or exempt, leave blank)

N/A - Exempt from bidding. See Item 13.

16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?

Rates comply w/Medi-Cal Allocation Plan.

17. JUSTIFICATION FOR CONTRACTING OUT (Check one)

- Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.     
  Contracting out is justified based on Government Code 19130(b). Justification for the Agreement is described below.

Justification:

N/A - Direct Service / Subvention agreement.

18. FOR AGREEMENTS IN EXCESS OF \$5,000, HAS THE LETTING OF THE AGREEMENT BEEN REPORTED TO THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING?

- NO       YES       N/A

19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?

- NO       YES       N/A

20. FOR CONSULTING AGREEMENTS, DID YOU REVIEW ANY CONTRACTOR EVALUATIONS ON FILE WITH THE DGS LEGAL OFFICE?

- NO       YES       NONE ON FILE       N/A

21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR?

- A. CONTRACTOR CERTIFICATION CLAUSES      B. STD. 204, VENDOR DATA RECORD  
 NO       YES       N/A     
  NO       YES       N/A

22. REQUIRED RESOLUTIONS ARE ATTACHED

- NO       YES       N/A

23. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? (If an amendment, explain changes, if any)

- NO (Explain below)       YES (If YES complete the following)

DISABLED VETERAN BUSINESS ENTERPRISES: \_\_\_\_\_ % OF AGREEMENT

- Good faith effort documentation attached if 3% goal is not reached.  
 We have determined that the contractor has made a sincere good faith effort to meet the goal.

Explain: N/A - Direct service / subvention.

24. IS THIS A SMALL BUSINESS CERTIFIED BY OSBCR?

- NO       YES (Indicate Industry Group) \_\_\_\_\_

SMALL BUSINESS REFERENCE NUMBER

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN ONE YEAR? (If YES, provide justification)

- NO       YES

This term is appropriate to reduce the costs of contract administration and to ensure the continuity of fiscal aid which enables the provision of on-going public assistance. Term of non-bid contract ok'd per SCM 7.80.

*I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.*

SIGNATURE/TITLE

DATE SIGNED



**CONTRACT REQUEST** (Submit 3 copies)  Expedite (Complete Item 18)

1. Agreement/Amendment number 14-90017	2. Current FY transaction amount \$ 25,000,000	3. Agreement total \$ 50,000,000	4. Term start date and end date 07/01/14 – 06/30/16
5. Contractor's/Grantee's name Contra Costa County Office of Education, Region 4		6. Project location (County / Statewide) Contra Costa County	
7. Contractor's/Grantee's official contact person (name and title) Bill Clark, Associate Superintendent, Business Services		8. Telephone number (925) 942-3310	
9. Contractor's/Grantee's Contract/Project Manager (name and title) Michelle Cowart, LEC/MAA Coordinator		10. Telephone number (925) 942-5391	11. Fax number (925) 942-5360

12. **Agreement Type** (Check the numbered item that matches the service type. Confirm the choice against a CMU [Decision Tree](#).)

<input type="checkbox"/> 1 <b>Consultant</b> [Non-IT, not for universities/Gov't. entities.]	<input type="checkbox"/> 6 <b>CSU</b> - California State University campus or Trustees
<input checked="" type="checkbox"/> 2 <b>Direct services to Public / Subvention Aid</b>	<input type="checkbox"/> 6 <b>UC</b> - University of California campus or The Regents of UC
<input type="checkbox"/> 2 <b>Grant award</b> (authorized by program statute)	<input type="checkbox"/> 7 <b>Other</b> [Memberships, Subscriptions, Data access, Zero dollar, etc.]
<input type="checkbox"/> 3 <b>Personal service</b> (Non-IT, students, Foundations)	<input type="checkbox"/> 8 <b>Information Technology (MSA or CMAS)</b> - on STD. 213
<input type="checkbox"/> 4 <b>Business service</b> (Non-IT)	<input type="checkbox"/> 9 <b>Incoming Funds</b> - reimbursement/revenue producing
<input type="checkbox"/> 6 <b>State Agency</b> , Department, Board or Commission	

13. **Business Type** (Check the numbered item that matches the Contractor's business type. Confirm Type 1+2 choice with Contractor or STD. 204.)

<input type="checkbox"/> 1 <b>For Profit entity</b> [Individual, commercial business, partnership, joint venture, incorporated or unincorporated organization, etc.]
<input type="checkbox"/> 2 <b>Nonprofit entity</b> [Public or private incorporated organization, e.g., College Foundation. Maintain proof of nonprofit status Program files.]
<input checked="" type="checkbox"/> 3 <b>Government entity</b> [City, County, California State agency, CSU campus/Trustees, federal agency, another State, etc.]
<input type="checkbox"/> 4 <b>Public entity</b> [Public entities (e.g., UC campus/Regents, school/water/utility district), other municipality, joint powers agency, etc.]

14. **For Profit Contractor Information** - (Complete if Business Type in Item 13 is 1)  N/A - Nonprofit/Gov't/Public entity or Multi-owner corporation

a. Owner's Gender (Check one) - (Enter data of the person with 51% or more ownership interest. If none, mark "N/A" above.)  Male  Female

b. Owner's Ethnicity (Check one)  Asian-Indian  Black  Hispanic  Native American  Pacific-Asian  Other:

c. Owner's Race (Check one)  American Indian/Alaska Native  Asian  Black or African American  White  
 Native Hawaiian or Other Pacific Islander  Other:

d. If Asian or Native Hawaiian or Pacific Islander (Check one)  Asian-Indian  Cambodian  Chinese  
 Filipino  Guamanian  Hawaiian  Japanese  Korean  Laotian  
 Samoan  Vietnamese  Other:

e. **Small Business / DVBE Status** (Check one)  Certified small or microbusiness  Certified Disabled Veteran Business Enterprise

15. **DVBE Participation** - (Check one)  N/A - Agreement Type is 2, 6, 7, 9  N/A - Business Type is 3 or 4  N/A - Amendment  
 DVBE goal achieved  DVBE Incentive granted (if applicable)  Waived by CMU (Attach proof of CMU waiver if applicable)  N/A - Contract total under \$10,000

16. **Subcontractor IFB/RFP Preference** - (Check one) Applies if an IFB or RFP was used and subcontractor preference was granted.  
 N/A and/or Amendment  Non-small business contractor will use certified small business subcontractors for 25% or more of the total contract amount.

17. **Federal Funding** - Is the agreement federally funded in whole or part or is the amendment federally funded? (Check one)  Yes  No

18. **Expedite Handling Reason** - Complete as indicated if expedite handling was approved by an appropriate DHCS executive.  Emergency  
 Contractor cash flow problems  Politically sensitive  Other - Explain below or in an attachment.  Check if proof of expedite approval is attached.  
 If expedite handling was approved, briefly explain the issues below and attach/cite proof of Executive Office approval. Indicate: (a) Why is expedite handling needed and (b) What negative consequences will occur if the request is not approved?

19. **Non-Debarment Certification** - The person submitting this request hereby certifies the Contractor is presently not debarred or ineligible to receive a contract award. Debarment status was verified at: <http://dhcsintranet/SvcProg/programs/contracts/Pages/Debarred-Suspended.aspx>.  Yes  No

20. **Funding program contact information**

Program analyst contact name Francisco Yanes	Email address francisco.yanes@dhcs.ca.gov	Telephone number (916) 552-9083	Fax number (916) 324-0738
Division name of funding program Safety Net Financing Division		Section name of funding program Administrative Claiming Local & School Services Branch	
Mailing address (Street Address, Room Number, Mail Station-if appropriate, P.O. Box) 1501 Capitol Avenue, MS 4603, P.O. Box 997436		City Sacramento	State CA
		Zip Code 95899-7436	

*The person signing below certifies as to the necessity and prudence of this contract transaction and the expenditure authority.*

Signature of Division Chief or Above 	Printed name and title of person signing John Mendoza, Division Chief	Date signed
--	--	-------------

**CONTRACT REQUEST** (Submit 3 copies)  Expedite (Complete Item 18)

1. Agreement/Amendment number 14-90017	2. Current FY transaction amount \$ 25,000,000	3. Agreement total \$ 50,000,000	4. Term start date and end date 07/01/14 – 06/30/16
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12. **Agreement Type** (Check the numbered item that matches the service type. Confirm the choice against a CMU Decision Tree.)

<input type="checkbox"/> 1 <b>Consultant</b> [Non-IT, not for universities/Gov't. entities.]	<input type="checkbox"/> 6 <b>CSU</b> - California State University campus or Trustees
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a. **Owner's Gender** (Check one) - (Enter data of the person with 51% or more ownership interest. If none, mark "N/A" above.)  Male  Female

b. **Owner's Ethnicity** (Check one)  Asian-Indian  Black  Hispanic  Native American  Pacific-Asian  Other:

c. **Owner's Race** (Check one)  American Indian/Alaska Native  Asian  Black or African American  White  
 Native Hawaiian or Other Pacific Islander  Other:

d. **If Asian or Native Hawaiian or Pacific Islander** (Check one)  Asian-Indian  Cambodian  Chinese  
 Filipino  Guamanian  Hawaiian  Japanese  Korean  Laotian  
 Samoan  Vietnamese  Other:

e. **Small Business / DVBE Status** (Check one)  Certified small or microbusiness  Certified Disabled Veteran Business Enterprise

15. **DVBE Participation** - (Check one)  N/A - Agreement Type is 2, 6, 7, 9  N/A - Business Type is 3 or 4  N/A - Amendment  
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Division name of funding program Safety Net Financing Division	Section name of funding program Administrative Claiming Local & School Services Branch		
Mailing address (Street Address, Room Number, Mail Station-if appropriate, P.O. Box) 1501 Capitol Avenue, MS 4603, P.O. Box 997436	City Sacramento	State CA	Zip Code 95899-7436

*The person signing below certifies as to the necessity and prudence of this contract transaction and the expenditure authority.*

Signature of Division Chief or Above 	Printed name and title of person signing John Mendoza, Division Chief	Date signed
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c. **Owner's Race** (Check one)  American Indian/Alaska Native  Asian  Black or African American  White  
 Native Hawaiian or Other Pacific Islander  Other: \_\_\_\_\_

d. **If Asian or Native Hawaiian or Pacific Islander** (Check one)  Asian-Indian  Cambodian  Chinese  
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20. **Funding program contact information**

Program analyst contact name Francisco Yanes	Email address francisco.yanes@dhcs.ca.gov	Telephone number (916) 552-9083	Fax number (916) 324-0738
Division name of funding program Safety Net Financing Division		Section name of funding program Administrative Claiming Local & School Services Branch	
Mailing address (Street Address, Room Number, Mail Station-if appropriate, P.O. Box) 1501 Capitol Avenue, MS 4603, P.O. Box 997436		City Sacramento	State CA
		Zip Code 95899-7436	

*The person signing below certifies as to the necessity and prudence of this contract transaction and the expenditure authority.*

Signature of Division Chief or Above 	Printed name and title of person signing John Mendoza, Division Chief	Date signed
---	--	-------------

**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.

Contractor shall perform Medi-Cal Administrative Activities (MAA) on behalf of DHCS to assist in the proper and efficient administration of the Medi-Cal Program by improving the availability and accessibility of Medi-Cal Services to Medi-Cal eligible and potentially eligible individuals and their families. These activities include: Medi-Cal Outreach, Facilitating Medi-Cal Application, Medi-Cal Non-Emergency Transportation, Contracting for Medi-Cal Services, Program Planning and Policy Development, Medi-Cal Administrative Activities Coordination and Claims Administration and Training.

**2. Service Location**

The services shall be performed at applicable facilities within the Contra Costa County Office of Education, Region 4 geographic region.

**3. Service Hours**

The services shall be provided during normal Contractor working hours and days.

**4. Project Representatives**

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

**Department of Health Care Services**

Carolyn Cain-Smith, Chief  
School-Based MAA Unit  
Telephone: (916) 552-9049  
Fax: (916) 324-0738  
E-Mail: [Carolyn.Cain-Smith@dhcs.ca.gov](mailto:Carolyn.Cain-Smith@dhcs.ca.gov)

**Contra Costa County Office of  
Education, Region 4**

Bill Clark, Associate Superintendent,  
Business Services  
77 Santa Barbara Road  
Pleasant Hill, CA 94523  
Telephone: (925) 942-3310  
Fax: (925) 942-3454

B. Direct all inquiries to:

**Department of Health Care Services**

Administrative Claiming Local & Schools  
Services Branch  
Francisco Yanes, SMAA Analyst  
1501 Capitol Ave., MS 4603  
P.O. Box 997436  
Sacramento, CA 95899-7436  
Telephone: (916) 552-9083  
Fax: (916) 324-0738  
E-Mail: [francisco.yanes@dhcs.ca.gov](mailto:francisco.yanes@dhcs.ca.gov)

**Contra Costa County Office of  
Education, Region 4**

Attn: Michelle Cowart,  
LEC/MAA Coordinator  
77 Santa Barbara Road  
Pleasant Hill, CA 94523  
Telephone: (925)942-5391  
Fax: (925)944-1698  
E-Mail [mcowart@cccocoe.k12.ca.us](mailto:mcowart@cccocoe.k12.ca.us)



**Exhibit A**  
**Scope of Work**

- 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.

**5. Services to be Performed**

- A. The following MAA are *eligible* for 50-percent Federal Financial Participation (FFP) rate.

1) Initial Medi-Cal Outreach

This activity is when school staff performs *initial* activities that inform eligible or potentially eligible individuals about Medi-Cal programs and services and how to access them. Initial activities would include bringing potential eligible's into the Medi-Cal system for the purpose of determining eligibility and initially arranging for the provision of Medi-Cal services. Include related paperwork, clerical activities, or staff travel required to perform these activities (including initiating and responding to email and voicemail). Local Educational Agency (LEA) only conduct outreach for the populations served by their schools (i.e., students and their parents or guardians). The following are examples of activities that are considered Medi-Cal outreach:

- a) Providing initial information about Medi-Cal-covered services and/or DHCS screenings (e.g., dental, vision) in the schools that will help identify medical conditions that can be corrected or improved by services through Medi-Cal.
- b) Identifying and referring adolescents who may be in need of Medi-Cal family planning services.
- c) Informing Medi-Cal eligible and potential Medi-Cal eligible children and families about the benefits and availability of services provided by Medi-Cal.
- d) Informing children and their families on how to effectively access, use, and maintain participation in all health resources under the federal Medi-Cal program.
- e) Assisting in the early identification of children who could benefit from the health services provided by Medi-Cal as part of a Medi-Cal outreach campaign.
- f) Contacting pregnant and parenting teenagers about the availability of Medi-Cal prenatal and well-baby care programs and services.
- g) Conducting a family planning health education outreach program or campaign—if it is targeted specifically to family planning Medi-Cal services that are offered to Medi-Cal eligible individuals.
- h) Providing initial referral assistance to families where Medi-Cal services can be provided.
- i) Participating in or coordinating outreach trainings that improve the delivery of Medi-Cal services.
- j) Providing information regarding Medi-Cal managed care programs and health plans to individuals and families and how to access that system.

**Exhibit A**  
Scope of Work

- 2) Activities that are not considered Medi-Cal outreach under any circumstances are:
- a) General preventive health education programs or campaigns addressed to life-style changes in the general population (e.g., dental prevention, anti-smoking, alcohol reduction, etc.), and
  - b) Outreach campaigns directed toward encouraging persons to access social, educational, legal, or other services *not* covered by Medi-Cal.

3) Facilitating Medi-Cal Application

This activity is when school staff assists an individual in becoming eligible for Medi-Cal. Include related, paperwork, clerical activities, or staff travel required to perform these activities, including initiating and responding to email and voicemail. This activity does not include the actual determination of Medi-Cal eligibility.

- a) Verifying an individual's current Medi-Cal eligibility status for the purposes of Medi-Cal program.
- b) Explaining Medi-Cal eligibility rules and the Medi-Cal eligibility process to prospective applicants.
- c) Assisting individuals or families to complete a Medi-Cal eligibility application.
- d) Gathering information related to the application and eligibility determination for an individual, including resource information as a prelude to submitting a formal Medi-Cal application.
- e) Providing necessary forms and packaging all forms in preparation for the Medi-Cal eligibility determination.
- f) Referring an individual or family to the local Medi-Cal eligibility office to make application for Medi-Cal.
- g) Assisting the individual or family in collecting/gathering required information and documents for the Medi-Cal application.
- h) Participating as a Medi-Cal eligibility outreach outstation, but does not include determining eligibility.
- i) Using client information gathered from various programs such as DHCS and the Free and Reduced Lunch Program to facilitate the Medi-Cal application process and expand enrollment into Medi-Cal programs and services.

**Exhibit A**  
Scope of Work

4) Medi-Cal Claims Administration, Coordination and Training

This activity is when coordinators and time survey participants perform activities that are directly related to Medi-Cal claims administration and coordination, and training activities. Staff who time survey should use this activity for time spent after initial or annual training in reviewing how to document relevant MAA through the time survey process. Reasonable time spent reviewing how to survey and working with others to complete the survey is acceptable. Include related paperwork, clerical activities, or staff travel necessary to perform these activities, including initiating and responding to email and voicemail.

- a) Drafting, revising, and submitting MAA operational plans.
- b) Serving as liaison for regional and local MAA claiming programs and with the State and Federal Governments on Medi-Cal administration.
- c) Monitoring the performance of claiming programs.
- d) Administering MAA, including overseeing, preparing, compiling, revising, and submitting claims.
- e) Training program and subcontractor staff on state, federal, and local requirements for MAA claiming.
- f) Ensuring that MAA claims do not duplicate Medi-Cal claims for the same activities from other providers.
- g) Attending meetings and conferences that involve MAA coordinators.

B. The following MAA are eligible for the 50-percent FFP rate however, the allocable share of costs must be determined by applying the discounted or proportional Medi-Cal share (the Medi-Cal percentage). The Medi-Cal share is determined by calculating the ratio of Medi-Cal eligible students to total students.

1) Ongoing Referral, Coordination, and Monitoring of Medi-Cal Services

This activity is when school staff makes ongoing referrals for, coordinating, and/or monitoring the delivery of Medi-Cal-covered services. This activity is used after an initial referral is made.

School staff performs this activity when making ongoing referrals for, coordinating, and/or monitoring the delivery of Medi-Cal-covered services.

- a) Making referrals for and/or coordinating medical or physical examinations and necessary medical/mental health evaluations.
- b) Making referrals for and/or scheduling certain Medi-Cal-covered DHCS screens, inter-periodic screens, and appropriate immunization, but NOT to include the State-mandated health services.
- c) Referring students for necessary medical health, mental health, or substance abuse services covered by Medi-Cal.
- d) Arranging for any Medi-Cal-covered medical/mental health diagnostic or treatment services that may be required as the result of a specifically identified medical/mental health condition.
- e) Gathering any information that may be required in advance of these referrals.

**Exhibit A**  
Scope of Work

- f) Participating in a meeting/discussion to coordinate or review a student's needs for health-related services covered by Medi-Cal.
- g) Providing follow-up contact to ensure that a child has received the prescribed medical/mental health services.
- h) Coordinating the completion of the prescribed services, termination of services, and the referral of the child to other Medi-Cal service providers as may be required to provide continuity of care.
- i) Providing information to other staff on the child's related medical/mental health services and plans.
- j) Coordinating the delivery of community-based medical/mental health services for a child with special/severe health care needs.
- k) Monitoring and evaluating the Medi-Cal-covered service components.
- l) Coordinating medical/mental health service provisions with managed care plans as appropriate.

2) Arranging Transportation in Support of Medi-Cal Services

This activity is when school staff assists an individual or family to obtain transportation to services covered by Medi-Cal. This does not include:

- a) The provision of the actual transportation service, but rather the administrative activities involved in scheduling or arranging specialized transportation.
- b) Activities that contribute to the actual billing of transportation as a medical service.
- c) Accompanying the Medi-Cal eligible individual to Medi-Cal services as an administrative activity.

Examples:

- d) Scheduling or arranging transportation to Medi-Cal-covered services.
- e) A transportation supervisor and staff time coordinating transportation to Medi-Cal services.
- f) Include related paperwork, clerical activities, or staff travel required to perform these activities, including initiating and responding to email and voicemail.

3) Translation

Translation may be allowable as an administrative activity if it is not included and paid for as part of a medical assistance service. However, translation must be provided by a third party translator or by *separate* employees performing translation functions for the school and it must facilitate access to Medi-Cal-covered services. Please note that a school district does not need to have a separate administrative claiming unit for translation.

- a) Arranging for or providing translation services (oral, written, and signing) that assist the individual to access and understand necessary care or treatment covered by Medi-Cal.
- b) Arranging for or providing translation to student/parent to understand how to access the application for Medi-Cal.

**Exhibit A**  
Scope of Work

4) Program Planning, Policy Development, and Interagency Coordination Related to Medi-Cal Services.

This activity is when school staff performs collaborative activities with other agencies associated with the development of strategies to improve the coordination and delivery of Medi-Cal-covered medical/mental health services to students and their families. Only employees whose position descriptions include program planning, policy development and interagency coordination should perform this activity.

- a) Identifying gaps or duplication of medical/mental health services to students and their families and developing strategies to improve the delivery and coordination of these services.
- b) Developing strategies to assess or increase the capacity of school medical/mental health programs.
- c) Monitoring the medical/mental health delivery systems in schools.
- d) Developing procedures for tracking families' requests for assistance with Medi-Cal-covered services and providers. (This does not include the actual tracking of requests for Medi-Cal services.)
- e) Evaluating the need for Medi-Cal services in relation to specific populations or geographic areas.
- f) Analyzing Medi-Cal data related to a specific program, population, or geographic area.
- g) Working with other agencies providing Medi-Cal services, to expand access to specific populations of Medi-Cal eligible, and to improve collaboration around the early identification of medical problems.
- h) Defining the scope of each agency's Medi-Cal service in relation to the other.
- i) Working with Medi-Cal resources, such as the managed care plans, to make good faith efforts to locate and develop health services referral relationships.
- j) Developing advisory or work groups of health professionals to provide consultation and advice regarding the delivery of Medi-Cal care services to the school populations.
- k) Developing medical referral sources, such as directories of Medi-Cal providers and managed care plans.
- l) Coordinating with interagency committees to identify, promote, and develop Medi-Cal and/or the school system.
- m) Negotiating and processing special agreements that support interagency coordination to improve the delivery of Medi-Cal services.
- n) Participating in or coordinating training that enhances early identification, intervention, screening, and referral of students with special health needs to Medi-Cal services.

5) General Administration/Paid Time Off

This activity is a reallocated activity. This general administrative activity must be reallocated across the other activities on a *pro rate* basis.

The purpose this activity is to capture job duties that support time for your primary job. Time recorded under this activity will be apportioned appropriately to MAA and non-MAA. Paid time off is when you are being paid, but you're not at work. This includes paid vacation days, jury duty, sick leave, etc. If you are not paid for your time off, you can't record that time here. Unpaid time off should be left blank on your time survey.

**Exhibit A**  
Scope of Work

Below are typical examples of general administrative activities:

- a) When not included in the indirect rate, the general operation of LEA such as accounting, budgeting, payroll, purchasing and data processing. (Certain functions, such as payroll, maintaining inventories, developing budgets, executive direction, etc., are considered overhead; therefore, they are ONLY allowable through the approved indirect cost rate.)
- b) General supervision of staff or facilities, including staff performance reviews, and personnel management.
- c) Reviewing non-instructional school policies, procedures, or rules.
- d) Attending or facilitating school or unit staff meetings, board meetings, or required in-service trainings and events.
- e) Review of professional and inter-district correspondence.
- f) Completing personal mileage and expense claims.

**Exhibit B**  
**Budget Detail and Payment Provisions**

**1. Invoicing and Payment**

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, DHCS agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates and/or allowable costs specified herein.
- B. Invoices shall include the Agreement Number and shall be submitted not more frequently than quarterly in arrears to:

<u>Regular Mail</u>	<u>Overnight Mail</u>
Carolyn Cain-Smith Department of Health Care Services Safety Net Financing Division Administrative Claiming Local & Schools Services Branch MS 4603 PO Box 997436 Sacramento, CA 95899-7436	Carolyn Cain-Smith Department of Health Care Services Safety Net Financing Division Administrative Claiming Local & Schools Services Branch MS 4603 1501 Capitol Avenue Sacramento, CA 95814

C. Invoices shall:

- 1) Be prepared on both the Summary Invoice and Detail Invoice incorporated by reference in Exhibit E, Provision 1.
- 2) Be prepared on Contractor letterhead and must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this agreement on the Summary Invoice.
- 3) Bear the Contractor's name as shown on the agreement on both the Summary Invoice and on the Detail Invoice.
- 4) Identify the billing and/or performance period covered by the invoice on both the Summary Invoice and on the Detail Invoice.
- 5) Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement on the Detail Invoice. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by DHCS.
- 6) Provide the State with complete invoice and expenditure information to include in the Centers for Medicare and Medicaid Services CMS 64 no later than 15 months after the end of the quarter for which the claim was submitted. This information shall be provided on the standardized Summary Invoice and Detail Invoice.
- 7) Identify on the Detail Invoice, the claim categories to which expenditure data must adhere for insertion into the CMS 64. A separate Detail Invoice shall be submitted for each Local Educational Agency claiming MAA costs pursuant to this agreement, except for contracted employees under the direct control of the Contractor. Contracted employees' costs shall be aggregated and reported in accordance with the MAA Invoice instructions. The Detail Invoice(s) for each of the programs claimed shall correspond to the name of the claiming programs identified in the Contractors MAA Operational Plan. The Invoice instructions and the MAA Operational Plan are found in the California School-Based MAA Provider Manual incorporated by reference in Exhibit E, Provision 1.

**Exhibit B**  
**Budget Detail and Payment Provisions**

**D. Rates Payable**

- 1) The invoices may include the cost of expenses of staff and the operating expenses and equipment costs necessary to collect data, disseminate information, and carry out the staff activities outlined in this agreement.
  - a. The rate of federal reimbursement is 50 percent Federal Financial Participation (FFP) for all costs of subcontractors (non-governmental entities) performing allowable administrative activities as defined in Provision 5, Services to be Performed, of Exhibit A-Scope of Work.
  - b. The maximum rate of reimbursement for all non-public subcontractors to the Contractor shall be 50 percent for all categories of cost.

- E. Certify the certified public expenditure from Contractor's General Fund, or from any other funds allowed under federal law and regulation, for Title XIX funds claimed for MAA performed pursuant to W&I Code Section 14132.47. The following certification statement shall be made on each Summary Invoice submitted to the State for Payment for the performance of MAA.

"I certify under penalty of perjury that the information provided on this invoice is true and correct, based on actual expenditures for the period claimed, and that the funds/contributions have been expended as necessary for federal matching funds pursuant to the requirements of 42 CFR 433.51, allowable administrative activities and that these claimed expenditures have not been nor shall not subsequently be used for federal match in this or any other program. I have notice that the information is to be used for filing of a claim with the Federal Government for federal funds and knowing misrepresentation constitutes violation of the Federal False Claims Act."

The State shall deny payment of any claim submitted under this agreement if it determines that the certification is not adequately supported for purposes of Federal Financial Participation (FFP). Expenditures certified for MAA costs shall not duplicate, in whole or in part, claims made for the costs of direct patient care.

**2. Budget Contingency Clause**

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



**Exhibit B**  
**Budget Detail and Payment Provisions**

**3. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**4. Amounts Payable**

A. The amounts payable under this agreement shall not exceed:

- 1) \$25,000,000 for the budget period of 07/01/14 through 06/30/15,
- 2) \$25,000,000 for the budget period of 07/01/15 through 06/30/16,

B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.

**5. Participation in Medi-Cal Administrative Claiming Process**

- A. As a condition of participation in the Medi-Cal Administrative Claiming process, and in recognition of revenue generated in the Medi-Cal Administrative Claiming process, the Contractor shall pay an annual participation fee through a mechanism agreed to by the State and Contractors, or, if no agreement is reached by August 1 of each year, directly to the State.
- B. The participation fee shall be used to cover the cost of administering the Medi-Cal Administrative Claiming process, including, but not limited to, claims processing, technical assistance, and monitoring. The State shall determine and report staffing requirements upon which projected costs will be based.
- C. The amount of the participation fee shall be based upon the anticipated State salaries, benefits, operating expenses and equipment, necessary to administer the Medi-Cal Administrative Claiming process and other costs related to that process.

**6. Non-Federal Matching Funds for Medi-Cal Administrative Activities**

The Contractor will expend 100 percent of the non-federal share of the cost of performing Medi-Cal Administrative Activities. By signing this agreement the Contractor certifies that the funds expended for this purpose shall be from the Contractor's general fund or from any other funds allowable under federal law and regulation.

**Exhibit B**  
**Budget Detail and Payment Provisions**

**7. Claiming Overhead Costs**

- A. In order to claim administrative overhead costs, also referred to as "External Administrative Overhead" costs, the Contractor must have a State Controller's Office approved Local Educational Consortia (LEA) administrative overhead cost allocation plan for the applicable period and these costs must be claimed in accordance with the plan. A local governmental agency's plan is submitted to the California State Controller's Office, which has delegated authority from the Federal Government to approve it.
- B. Internal (departmental) administrative overhead costs are allowable for FFP only if there is a departmental overhead indirect cost allocation plan prepared and on file for audit purposes for the applicable period and costs are claimed in accordance with it following Federal Office of Management and Budget (OMB) Circular A-87 guidelines.
- C. Both external and internal administrative cost allocation plans must comply with provisions of the federal OMB Circular A-87, entitled "Cost Principles for State, Local, and Indian Tribal Governments" and Federal Publication OASC-10, entitled "A Guide for State and Local Governments/Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government."
- D. The Contractor must assure that costs claimed as direct costs not duplicate costs claimed through the application of the indirect cost rate.

**8. Offset of Revenues**

- A. To the extent that other funding sources have paid or would pay for the costs at issue, Federal Financial Participation (FFP) is not available and the costs must be removed from the total costs (*OMB Circular A-87, Attachment A, Part C., Item 4.a.*). The revenue offset categories which must be applied in developing the net costs include, but are not limited to:
  - 1) All unallowable federal funds, including not only federal grants but also federal payments for services under Medicare fee-for-service or encounter rates.
  - 2) All state expenditures which have been previously matched by the federal government (*includes Medicaid funds for medical assistance, such as the payment rate for services under fee-for-service or encounter rates*). Claims submitted will not be duplicative of Medicaid claims for costs that are part of the all inclusive rate for direct patient care.
  - 3) Private insurance and other fees collected from non-governmental sources.
  - 4) All applicable credits must be offset against claims for Medicaid funds. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to federal awards as direct or indirect costs.
  - 5) A program may not claim any federal match for administrative activities if its total cost has already been paid by the revenue sources above. A government program may not be reimbursed in excess of its actual costs, i.e., make a profit.

**Exhibit B**  
**Budget Detail and Payment Provisions**

**9. Expense Allowability/Fiscal Documentation**

- A. Invoices, received from a Contractor and accepted and/or submitted for payment by the State, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to DHCS upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability or appropriateness of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

**10. Federal Audit Disallowances**

- A. In addition to the indemnification required by Exhibit C, Provision 5, and notwithstanding any other provision of this agreement, the State shall be held harmless, in accordance with Provision 2, Budget Contingency Clause, paragraphs A and B, from any federal audit disallowance and interest resulting from payments made to the Contractor pursuant to W&I Code Section 14132.47, and this agreement, less the amounts already remitted to the State.
- B. To the extent that a federal audit disallowance and interest results from a claim or claims for the Contractor has received reimbursement for MAA, the State shall recoup from the Contractor which submitted the disallowed claim, through offsets or by direct billing, amounts equal to the amount of the disallowance plus interest in that fiscal year. All subsequent claims submitted to the State applicable to any previously disallowed MAA or claim, may be held in abeyance, with no payment made, until the federal disallowance issue is resolved.
- C. To the extent that a federal audit disallowance and interest results from a claim or claims for which the Contractor has received reimbursement for MAA performed by a non-governmental entity under agreement with, and on behalf of, the Contractor, the State shall be held harmless by that particular Contractor for 100 percent of the amount of any such final federal audit disallowance and interest less the amounts already remitted to the State for the disallowed claim.

**11. Timely Submission of Final Invoice**

- A. A final undisputed 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 invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of DHCS under this Agreement have ceased and that no further payments are due or outstanding.

**Exhibit B**  
**Budget Detail and Payment Provisions**

- B. DHCS may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written DHCS approval of an alternate final invoice submission deadline. Written DHCS approval shall be sought from the Program Contract Manager prior to the expiration or termination date of this Agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "Contractor's Release (Exhibit I)" acknowledging submission of the final invoice to DHCS and certifying the approximate percentage amount, if any, of recycled products used in performance of this Agreement.

**12. Program Name and Number for Federal Claiming**

- A. Title 31 – Money and Finance, Subtitle V – General Assistance Administration, Chapter 75 – Requirements for Single Audits, section 7502 requires each pass-through entity provide the subrecipient program names and any identifying numbers from which such assistance is derived. The Catalog of Federal Domestic Assistance (CFDA) number for this federal program is 93.778, Medical Assistance Program (Medi-Cal).
- B. Contractor shall include the language in Section 12, Item A. in its contracts with subrecipients and vendors.

CCC-307

**CERTIFICATION**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i> <b>Contra Costa County Office of Education, Region 4</b>		<i>Federal ID Number</i> <b>942675635</b>
<i>By (Authorized Signature)</i>  		
<i>Printed Name and Title of Person Signing</i> <b>Bill Clark, Associate Superintendent, Business Services</b>		
<i>Date Executed</i>  	<i>Executed in the County of</i> <b>Contra Costa</b>	

**CONTRACTOR CERTIFICATION CLAUSES**

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov), and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

## **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

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

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.



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## Special Terms and Conditions

*(For federally funded service contracts or agreements and grant agreements)*

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition.

The terms "contract", "Contractor" and "Subcontractor" shall also mean, "agreement", "grant", "grant agreement", "Grantee" and "Subgrantee" respectively.

The terms "California Department of Health Care Services", "California Department of Health Services", "Department of Health Care Services", "Department of Health Services", "CDHCS", "DHCS", "CDHS", and "DHS" shall all have the same meaning and refer to the California State agency that is a party to this Agreement.

This exhibit contains provisions that require strict adherence to various contracting laws and policies. Some provisions herein are conditional and only apply if specified conditions exist (i.e., agreement total exceeds a certain amount; agreement is federally funded, etc.). The provisions herein apply to this Agreement unless the provisions are removed by reference on the face of this Agreement, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

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## 1. Federal Equal Opportunity Requirements

(Applicable to all federally funded agreements entered into by the Department of Health Care Services)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHCS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor 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 the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHCS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCS, the Contractor may request in writing to DHCS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

## 2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with agreement funds.)

Reimbursement for travel and per diem expenses from DHCS under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for nonrepresented state employees as stipulated in DHCS' Travel Reimbursement Information Exhibit. If the DPA rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to DPA rates may be approved by DHCS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

## 3. Procurement Rules

(Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by DHCS or expenses for said items are reimbursed by DHCS with state or federal funds provided under the Agreement.)

### a. Equipment/Property definitions

Wherever the term equipment and/or property is used, the following definitions shall apply:

- (1) **Major equipment/property:** A tangible or intangible item having a base unit cost of **\$5,000 or more** with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.
  - (2) **Minor equipment/property:** A tangible item having a base unit cost of **less than \$5,000** with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.
- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment/property and services related to such purchases for performance under this Agreement.
- (1) Equipment/property purchases shall not exceed \$50,000 annually.

To secure equipment/property above the annual maximum limit of \$50,000, the Contractor shall

make arrangements through the appropriate DHCS Program Contract Manager, to have all remaining equipment/property purchased through DHCS' Purchasing Unit. The cost of equipment/property purchased by or through DHCS shall be deducted from the funds available in this Agreement. Contractor shall submit to the DHCS Program Contract Manager a list of equipment/property specifications for those items that the State must procure. DHCS may pay the vendor directly for such arranged equipment/property purchases and title to the equipment/property will remain with DHCS. The equipment/property will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the DHCS Program Contract Manager, in writing, of an alternate delivery address.

- (2) All equipment/property purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses shall use a procurement system that meets the following standards:
  - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.
  - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
  - (c) Procurements shall be conducted in a manner that provides for all of the following:
    - [1] Avoid purchasing unnecessary or duplicate items.
    - [2] Equipment/property solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
    - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by DHCS, prior written authorization from the appropriate DHCS Program Contract Manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment/property, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHCS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by DHCS (e.g., when DHCS has a need to monitor certain purchases, etc.), DHCS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHCS determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHCS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

#### 4. Equipment/Property Ownership / Inventory / Disposition

(Applicable to agreements in which equipment/property is furnished by DHCS and/or when said items are purchased or reimbursed by DHCS with state or federal funds provided under the Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement shall be considered state equipment and the property of DHCS.

- (1) **Reporting of Equipment/Property Receipt** - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by DHCS or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the DHCS Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by DHCS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHCS Funds) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager.

- (2) **Annual Equipment/Property Inventory** - If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the DHCS Program Contract Manager using a form or format designated by DHCS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHCS-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the DHCS Program Contract Manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).

- (b) Submit the inventory report to DHCS according to the instructions appearing on the inventory form or issued by the DHCS Program Contract Manager.

- (c) Contact the DHCS Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by either the DHCS Program Contract Manager or DHCS' Asset Management Unit.

- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.

- (1) In administering this provision, DHCS may require the Contractor and/or Subcontractor to repair or replace, to DHCS' satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHCS Program Contract Manager.

- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement.

- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the DHCS Program Contract Manager and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to DHCS. Final disposition of equipment and/or property shall be at DHCS expense and according to DHCS instructions. Equipment and/or property disposition instructions shall be issued by DHCS immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor and/or Subcontractor shall return such vehicles to DHCS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHCS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this Agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

**Automobile Liability Insurance**

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHCS under the terms of this Agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHCS Program Contract Manager. The certificate of insurance shall identify the DHCS contract or agreement number for which the insurance applies.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to DHCS.
- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:

- [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Care Services).
  - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
  - [3] The insurance carrier shall notify the California Department of Health Care Services (DHCS), in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by DHCS, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, DHCS may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

## 5. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
- (1) The Contractor must provide in its request for authorization, all information necessary for evaluating the necessity or desirability of incurring such cost.
  - (2) DHCS may identify the information needed to fulfill this requirement.
  - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
    - (a) A local governmental entity or the federal government,
    - (b) A State college or State university from any State,
    - (c) A Joint Powers Authority,
    - (d) An auxiliary organization of a California State University or a California community college,
    - (e) A foundation organized to support the Board of Governors of the California Community Colleges,
    - (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
    - (g) Firms or individuals proposed for use and approved by DHCS' funding Program via acceptance of an application or proposal for funding or pre/post contract award negotiations,
    - (h) Entities and/or service types identified as exempt from advertising and competitive bidding in State Contracting Manual Chapter 5 Section 5.80 Subsection B.3. View this publication at the following Internet address: <http://www.dgs.ca.gov/ols/Resources/StateContractManual.aspx>.
- b. DHCS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.



- (1) Upon receipt of a written notice from DHCS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHCS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
  - d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make copies available for approval, inspection, or audit.
  - e. DHCS assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
  - f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
  - g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
  - h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:  
  
"*(Subcontractor Name)* agrees to maintain and preserve, until three years after termination of *(Agreement Number)* and final payment from DHCS to the Contractor, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."
  - i. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.
  - j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, 32 and/or other numbered provisions herein that are deemed applicable.

## 6. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to DHCS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHCS under this Agreement.

## 7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Contractor agrees that DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this

Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, Section 1896).

- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
  - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
  - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.
- f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.
- g. The Contractor shall, if applicable, comply with the Single Audit Act and the audit reporting requirements set forth in OMB Circular A-133.

## 8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

## 9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this Agreement. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Agreement in any manner.

- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- d. DHCS has the option to invalidate or cancel the Agreement with 30-days advance written notice or to amend the Agreement to reflect any reduction in funds.

## 10. Intellectual Property Rights

### a. Ownership

- (1) Except where DHCS has agreed in a signed writing to accept a license, DHCS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
  - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of DHCS' Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of DHCS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHCS. **Except as otherwise set forth herein, neither the Contractor nor DHCS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to DHCS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHCS in the third-party's license agreement.
- (4) Contractor agrees to cooperate with DHCS in establishing or maintaining DHCS' exclusive rights in the Intellectual Property, and in assuring DHCS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHCS and which result directly or indirectly from this Agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHCS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHCS' Intellectual Property rights and interests.

**b. Retained Rights / License Rights**

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to DHCS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHCS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

**c. Copyright**

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, shall include DHCS' notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2010, etc.], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

**d. Patent Rights**

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to DHCS a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to DHCS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHCS in securing United States and foreign patents with respect thereto.

**e. Third-Party Intellectual Property**

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHCS' prior written approval; and (ii) granting to or obtaining for DHCS, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon the these terms is unattainable, and DHCS determines that the Intellectual Property should be included in or is required

for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to DHCS.

**f. Warranties**

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHCS in this Agreement.
- (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

(2) DHCS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

**g. Intellectual Property Indemnity**

- (1) Contractor shall indemnify, defend and hold harmless DHCS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHCS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by

Contractor or DHCS and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. DHCS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHCS.

- (2) Should any Intellectual Property licensed by the Contractor to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHCS' right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHCS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHCS shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate DHCS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHCS would suffer irreparable harm in the event of such breach and agrees DHCS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

#### **h. Federal Funding**

In any agreement funded in whole or in part by the federal government, DHCS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

#### **i. Survival**

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

### **11. Air or Water Pollution Requirements**

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

### **12. Prior Approval of Training Seminars, Workshops or Conferences**

Contractor shall obtain prior DHCS approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

**13. Confidentiality of Information**

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

**14. Documents, Publications and Written Reports**

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

**15. Dispute Resolution Process**

- a. A Contractor grievance exists whenever there is a dispute arising from DHCS' action in the administration of an agreement. If there is a dispute or grievance between the Contractor and DHCS, the Contractor must seek resolution using the procedure outlined below.
  - (1) The Contractor should first informally discuss the problem with the DHCS Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
  - (2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's



decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.

- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Health and Safety Code Section 100171.
- c. Unless otherwise stipulated in writing by DHCS, all dispute, grievance and/or appeal correspondence shall be directed to the DHCS Program Contract Manager.
- d. There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS Program Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

## 16. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract or agreement for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code Section 38020). Direct service contracts shall not include contracts, agreements, grants, or subventions to other governmental agencies or units of government nor contracts or agreements with regional centers or area agencies on aging (H&S Code Section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
  - (1) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives \$25,000 or more from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
  - (2) ***If the Contractor is a nonprofit organization (as defined in H&S Code Section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract or agreement;*** the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this Agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**
  - (3) ***If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$500,000 or more in Federal awards;*** the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:
    - (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
    - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.



- (4) If the Contractor submits to DHCS a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$500,000 or more in federal funds for the year covered by the audit report.
- d. Two copies of the audit report shall be delivered to the DHCS program funding this Agreement. The audit report must identify the Contractor's legal name and the number assigned to this Agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHCS Program Contract Manager shall forward the audit report to DHCS' Audits and Investigations Unit if the audit report was submitted under Section 16.c(3), unless the audit report is from a City, County, or Special District within the State of California whereby the report will be retained by the funding program.
  - e. The cost of the audits described herein may be included in the funding for this Agreement up to the proportionate amount this Agreement represents of the Contractor's total revenue. The DHCS program funding this Agreement must provide advance written approval of the specific amount allowed for said audit expenses.
  - f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
  - g. Nothing in this Agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
  - h. Nothing in this provision limits the authority of the State to make audits of this Agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
  - i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
  - j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organization wide audit for the Contractor.
  - k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the U.S. General Accounting Office (GAO) issued Standards for *Audit of Government Organizations, Programs, Activities and Functions*, better known as the "yellow book".

#### **17. Human Subjects Use Requirements**

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this Agreement, Contractor agrees that if any performance under this Agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

**18. Novation Requirements**

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

**19. Debarment and Suspension Certification**

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 7 CFR Part 3017, 45 CFR 76, 40 CFR 32 or 34 CFR 85.
- b. By signing this Agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
  - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and
  - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
  - (5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
  - (6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.
- e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHCS may terminate this Agreement for cause or default.

**20. Smoke-Free Workplace Certification**

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this Agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

**21. Covenant Against Contingent Fees**

(Applicable only to federally funded agreements.)

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this Agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, DHCS shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

**22. Payment Withholds**

(Applicable only if a final report is required by this Agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this Agreement, DHCS may, at its discretion, withhold 10 percent (10%) of the face amount of the Agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHCS receives a final report that meets the terms, conditions and/or scope of work requirements of this Agreement.

**23. Performance Evaluation**

(Not applicable to grant agreements.)

DHCS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this Agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHCS. Negative performance evaluations may be considered by DHCS prior to making future contract awards.

**24. Officials Not to Benefit**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

**25. Four-Digit Date Compliance**

(Applicable to agreements in which Information Technology (IT) services are provided to DHCS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant (as defined below) Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

**26. Prohibited Use of State Funds for Software**

(Applicable to agreements in which computer software is used in performance of the work.)

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

**27. Use of Small, Minority Owned and Women's Businesses**

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

**28. Alien Ineligibility Certification**

(Applicable to sole proprietors entering federally funded agreements.)

By signing this Agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

**29. Union Organizing**

(Applicable only to grant agreements.)

Grantee, by signing this Agreement, hereby acknowledges the applicability of Government Code Sections 16645 through 16649 to this Agreement. Furthermore, Grantee, by signing this Agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

**30. Contract Uniformity (Fringe Benefit Allowability)**

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHCS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
  - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
  - (2) Director's and executive committee member's fees.
  - (3) Incentive awards and/or bonus incentive pay.
  - (4) Allowances for off-site pay.
  - (5) Location allowances.
  - (6) Hardship pay.
  - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
  - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
  - (1) Be necessary and reasonable for the performance of the Agreement.
  - (2) Be determined in accordance with generally accepted accounting principles.
  - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.

- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Contractor may resume work only upon written concurrence of funding Program's Contract Manager.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or contract terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation / Termination, DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. DHCS shall not be liable to the Contractor for loss of profits because of any suspension or stop work notification issued under this clause.

### 32. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded agreements in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

#### a. Certification and Disclosure Requirements

- (1) Each person (or recipient) who requests or receives a contract or agreement, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
- (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard Form-LLL 'disclosure of Lobbying Activities'") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract, or grant or any extension or amendment of that contract, or grant, which would be prohibited under Paragraph b of this provision if paid for with appropriated funds.
- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
  - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
  - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
  - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract or agreement, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or agreement, or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) All disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHCS Program Contract Manager.

#### b. Prohibition

Section 1352 of Title 31, U.S.C., provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person for

influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

**Attachment 1  
State of California  
Department of Health Care Services**

**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Name of Contractor	Printed Name of Person Signing for Contractor
Contract / Grant Number	Signature of Person Signing for Contractor
Date	Title

After execution by or on behalf of Contractor, please return to:

California Department of Health Care Services

DHCS reserves the right to notify the contractor in writing of an alternate submission address.





**INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001".
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**Exhibit E**  
Additional Provisions

**1. Additional Incorporated Exhibits**

A. The following documents and any subsequent updates are not attached, but are incorporated herein and made a part hereof by this reference. The Contractor is required to fully comply with the directives in each document incorporated by reference herein and each update thereto. These documents may be updated periodically by DHCS, as required by program directives or changes in law or policy. Unless otherwise indicated, DHCS shall provide the Contractor with copies of said documents at or before the agreement is presented to the Contractor for review, acceptance, and signature and will require acknowledgement of receipt. Periodic updates to the below listed documents that are not electronically accessible via the internet, an Extranet link or other mechanism will be presented to the Contractor under separate cover and acknowledgement of receipt will be required. DHCS will maintain on file, all documents referenced herein and any subsequent updates.

- 1) School Based MAA Manual\*
- 2) Policy & Procedure Letters\*
- 3) School Based Time Survey for Employees Performing Medi-Cal Administrative Activities\*
- 4) Medi-Cal Administrative Activities Summary Invoice\*
- 5) Medi-Cal Administrative Activities Detail Invoice\*

\*The above referenced documents can be found on the internet at:  
<http://www.dhcs.ca.gov/ProvGovPart/Pages/SMAA.aspx>

**2. Amendment Process**

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by both parties and the Department of General Services (DGS), if DGS approval is required.

**3. Cancellation/Termination**

- A. This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements.
- B. Upon receipt of a notice of termination or cancellation from DHCS, Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- C. The Contractor shall be entitled to payment for all allowable costs authorized under this Agreement, and incurred up to the date of termination or cancellation, including

**Exhibit E**  
Additional Provisions

authorized non-cancelable obligations provided such expenses do not exceed the stated maximum amounts payable.

**4. Contractor Responsibilities**

- A. Comply with 42 U.S.C., Section 1396 et seq., 42 Code of Federal Regulations (CFR) Part 400 et seq.; and 45 CFR Part 95, California Welfare and Institutions Code, Division 9, Part 3, Chapter 7 (commencing with Section 14000) and Chapter 8 (commencing with Section 14200), and Title 22 California Code of Regulations CCR), Division (3 (commencing with Section 50000), all as periodically amended; State issued policy directives; and Federal Office of Management and Budget (OMB) Circular A-87, as periodically amended.
- B. If the Contractor enters into contracts with other organizations to perform MAA in support of the Contractor claiming administrative reimbursement, the Contractor shall have available for State and/or Federal review, any contract to perform administrative activities under the auspices of the Medi-Cal Program.
- C. The Contractor is responsible for the acts or omissions of its employees and/or subcontractors. Submission of a falsified Summary Invoice or Detailed Invoice by a Contractor shall constitute a breach of contract. Submission of a Summary Invoice or Detailed Invoice for which there is no supporting documentation by a Contractor may constitute a breach of contract.
- D. The conviction of an employee or subcontractor of the Contractor, or of an employee of a subcontractor, of any felony or of a misdemeanor involving fraud, abuse of any Medi-Cal applicant or beneficiary, or abuse of the Medi-Cal Program, shall result in the exclusion of that employee or subcontractor, or employee of a subcontractor, from participation in the Medi-Cal Administrative Claiming process. Failure of a Contractor to exclude a convicted individual from participation in the Medi-Cal Administrative Claiming process shall constitute a breach of contract.
- E. Exclusion after conviction shall result regardless of any subsequent order under Section 1203.4 of the Penal Code allowing a person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.
- F. Suspension or exclusion of an employee or subcontractor, or of an employee of a subcontractor, from participation in the Medi-Cal Program, the Medicaid Program, or the Medicare Program, shall result in the exclusion of that employee or subcontractor, or employee of a subcontractor, from participation in the Medi-Cal Administrative Claiming process. Failure of a Contractor to exclude a suspended or excluded individual from participation in the Medi-Cal Administrative Claiming process shall constitute a breach of contract.
- G. Revocation, suspension, or restriction of the license, certificate, or registration of any employee, subcontractor, or employee of a subcontractor, shall result in exclusion from the Medi-Cal Administrative Claiming process, when such license, certificate, or registration is required for the performance of Medi-Cal administrative activities. Failure

**Exhibit E**  
Additional Provisions

of a Contractor to exclude an individual whose license, certificate, or registration has been revoked, suspended, or restricted, from participation in the Medi-Cal Administrative Claiming process, may constitute a breach of contract.

**5. State Responsibilities**

- A. Review, approve, as appropriate, and process Contractor claims for reimbursement of the allowable actual costs of providing administrative activities necessary for the proper and efficient administration of the Medi-Cal Program. Reimbursement shall be made subsequent to the quarter for which a claim for MAA is made. Any claim that cannot be approved shall be returned to the Contractor with a written explanation of the basis for disapproval.
- B. Provide the Contractor with a standardized format for the Summary Invoice, Detailed Invoice and MAA Claiming Plan which will be disseminated through policy directives issued by the State.
- C. Review MAA Claiming Plan and amendment(s) to the MAA Claiming Plan. Any amendment that cannot be approved shall be returned to the Contractor with a written explanation of the basis for disapproval.
- D. Provide program monitoring and oversight including periodic site reviews for compliance with State and federal requirements and regulations. DHCS will retain ultimate responsibility for program oversight and policy interpretation.
- E. Submit approved MAA Claiming Plans and amendments to the Centers for Medicare and Medicaid Services (CMS) for review and approval if required.
- F. Make available to Contractors, training and technical support on proper administrative activities to be claimed, identifying costs related to these activities, and billing procedures. Training material is to be developed by and/or approved by DHCS.

**6. Joint Responsibilities**

- A. The State and the Contractor hereby agree to comply with all applicable laws governing the confidentiality of client information for Medi-Cal clients served by the Contractor, or subcontractor, under this agreement. Applicable laws include, but are not limited to, 42 U.S.C. Section 1396a(a)7, 42 CFR Section 431.300, 45 CFR Sections 160, 162, and 164, Welfare and Institutions Code, Section 14100.2, and 22 California Code of Regulations, Section 51009.

**Exhibit E**  
Additional Provisions

**7. Audit**

- A. This provision supersedes Provision #4, entitled "Audit" in General Terms & Conditions (GTC 610). View Exhibit C at the following Internet site:  
<http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.
- B. Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative, and employees of the California Department of Justice, and the United States Centers for Medicare and Medicaid Services, shall have the right to review, access, examine, monitor, audit, and to copy any records and supporting documentation pertaining to the performance of this agreement. Contractor agrees to allow interviews of any employees, or staff of any subcontractor, who might reasonably have information related to such records by either state and/or federal authorities. For MAA, all records in support of allowable MAA activities must be maintained for a minimum of three fiscal years after the end of the quarter in which the LGA or LEC receives reimbursement from the Department of Health Care Services (DHCS) for the expenditures incurred. If an audit is in progress, all records relevant to the audit shall be retained until the completion of the audit or the final resolution of all audit exceptions, deferrals, and/or disallowances, whichever is later, and if litigation has been initiated, all necessary records shall be retained until the final resolution of the litigation. The records shall fully disclose the type and extent of administrative activities performed by the appropriate staff. The Contractor shall furnish such documentation and any other information regarding the performance of and payment for MAA, upon request, to the state or federal government.

**8. Definitions**

- A. The following definitions are applicable to this Contract.
- 1) "CFDA number" means the number assigned to a federal program in the Catalog of Federal Domestic Assistance (CFDA).
  - 2) "Federal award" means federal financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.
  - 3) "Federal awarding agency" means the federal agency that provides an award directly to the recipient.
  - 4) "Federal program" means all federal awards to a non-federal entity assigned a single number in the CFDA.
  - 5) "Pass-through entity" means a non-federal entity that provides a federal award to a subrecipient to carry out a federal program.
  - 6) "Recipient" means a non-federal entity that expends federal awards received directly from a federal awarding agency to carry out a federal program.

**Exhibit E**  
Additional Provisions

- 7) "Subrecipient" means a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. Guidance on distinguishing between a subrecipient and a vendor is provided in OMB Circular A-133.
- 8) A. "Vendor" means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the federal program. Additional guidance on distinguishing between a subrecipient and a vendor is provided in OMB Circular A-133.  
  
B. The definitions in Section 8, Item 8.A. shall be included in all of Contractor's contracts with subrecipients and vendors.

**Exhibit F**  
HIPAA Business Associate Addendum

**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.
- 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



**Exhibit F**  
HIPAA Business Associate Addendum

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.
- 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:

**Exhibit F**

## HIPAA Business Associate Addendum

- 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.
- 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.
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;

**Exhibit F**  
HIPAA Business Associate Addendum

- 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 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:

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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).
  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](http://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 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.

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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 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.

<b>DHCS Program Contract Manager</b>	<b>DHCS Privacy Officer</b>	<b>DHCS Information Security Officer</b>
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  Email: <a href="mailto:privacyofficer@dhcs.ca.gov">privacyofficer@dhcs.ca.gov</a>  Telephone: (916) 445-4646  Fax: (916) 440-7680	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413  Email: <a href="mailto:iso@dhcs.ca.gov">iso@dhcs.ca.gov</a> Fax: (916) 440-5537  Telephone: ITSD Service Desk (916) 440-7000 or (800) 579-0874

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- K. Termination of Agreement.** In accordance with Section 13404(b) of the 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](http://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.

#### 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':

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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.
- 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



**Exhibit F**  
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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 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 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.

**Exhibit F**  
HIPAA Business Associate Addendum

**Attachment A**

Business Associate Data Security Requirements

**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.
- 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.

**Exhibit F**

## HIPAA Business Associate Addendum

- 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)
- 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.

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- 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.

**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.
- 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.

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- 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.

**Exhibit G**

## Information Confidentiality and Security Requirements

1. **Definitions.** For purposes of this Exhibit, the following definitions shall apply:
  - A. **Public Information:** Information that is not exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.
  - B. **Confidential Information:** Information that is exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250-6265) or other applicable state or federal laws.
  - C. **Sensitive Information:** Information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive Information may be either Public Information or Confidential Information. It is information that requires a higher than normal assurance of accuracy and completeness. Thus, the key factor for Sensitive Information is that of integrity. Typically, Sensitive Information includes records of agency financial transactions and regulatory actions.
  - D. **Personal Information:** Information that identifies or describes an individual, including, but not limited to, their name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. **It is DHCS' policy to consider all information about individuals private unless such information is determined to be a public record.** This information must be protected from inappropriate access, use, or disclosure and must be made accessible to data subjects upon request. Personal Information includes the following:

Notice-triggering Personal Information: Specific items of personal information (name plus Social Security number, driver license/California identification card number, or financial account number) that may trigger a requirement to notify individuals if it is acquired by an unauthorized person. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph. See Civil Code sections 1798.29 and 1798.82.
2. **Nondisclosure.** The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure any Personal Information, Sensitive Information, or Confidential Information (hereinafter identified as PSCI).
3. The Contractor and its employees, agents, or subcontractors shall not use any PSCI for any purpose other than carrying out the Contractor's obligations under this Agreement.
4. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHCS Program Contract Manager all requests for disclosure of any PSCI not emanating from the person who is the subject of PSCI.
5. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the person who is the subject of PSCI, any PSCI to anyone other than DHCS without prior written authorization from the DHCS Program Contract Manager, except if disclosure is required by State or Federal law.

**Exhibit G****Information Confidentiality and Security Requirements**

6. The Contractor shall observe the following requirements:

**A. Safeguards.** The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PSCI, including electronic PSCI that it creates, receives, maintains, uses, or transmits on behalf of DHCS. Contractor 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 Contractor's operations and the nature and scope of its activities, Including at a minimum the following safeguards:

**1) 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 PSCI, 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.

**2) 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.
- 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.

**Exhibit G**

## Information Confidentiality and Security Requirements

- 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)
- 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



**Exhibit G****Information Confidentiality and Security Requirements**

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.

- i. 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.

**3) 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.

**4) 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.

**5) Paper Document Controls**

**Exhibit G****Information Confidentiality and Security Requirements**

- 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.
  - 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.
- B. Security Officer.** The Contractor shall designate a Security Officer to oversee its data security program who will be responsible for carrying out its privacy and security programs and for communicating on security matters with DHCS.
- C. Discovery and Notification of Breach.** The Contractor shall notify DHCS **immediately by telephone call plus email or fax** upon the discovery of breach of security of PSCI in computerized form if the PSCI was, or is reasonably believed to have been, 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 **or within twenty-four (24) hours by email or fax** of the discovery of any suspected security incident, intrusion or unauthorized use or disclosure of PSCI in violation of this Agreement, or potential loss of confidential data affecting this Agreement. Notification shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. The Contractor shall use the most current version of this form, which is posted on the DHCS Privacy Office website ([www.dhcs.ca.gov](http://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> If the incident occurs after business hours or on a weekend or holiday and involves electronic PSCI, notification shall be provided by calling the DHCS Information Technology Services Division (ITSD) Help Desk. Contractor shall take:
- 1) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and

**Exhibit G**

**Information Confidentiality and Security Requirements**

2) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

**D. Investigation of Breach.** The Contractor shall immediately investigate such security incident, breach, or unauthorized use or disclosure of PSCI and within seventy-two (72) hours of the discovery, The Contractor 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 extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer:

**E. Written Report.** The Contractor shall provide a written 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 include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

**F. Notification of Individuals.** The Contractor 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 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.

7. **Affect on lower tier transactions.** The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, regardless of whether they are for the acquisition of services, goods, or commodities. The Contractor shall incorporate the contents of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

8. **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 Exhibit or the Agreement to which it is incorporated.

<b>DHCS Program Contract Manager</b>	<b>DHCS Privacy Officer</b>	<b>DHCS Information Security Officer</b>
See the Scope of Work exhibit for Program Contract Manager information	Privacy Officer c/o Office of Legal Services Department of Health Care Services P.O. Box 997413, MS 0011 Sacramento, CA 95899-7413  Email: <a href="mailto:privacyofficer@dhcs.ca.gov">privacyofficer@dhcs.ca.gov</a>  Telephone: (916) 445-4646	Information Security Officer DHCS Information Security Office P.O. Box 997413, MS 6400 Sacramento, CA 95899-7413  Email: <a href="mailto:iso@dhcs.ca.gov">iso@dhcs.ca.gov</a>  Telephone: ITSD Help Desk (916) 440-7000 or (800) 579-0874

9. **Audits and Inspections.** From time to time, DHCS may inspect the facilities, systems, books and records of the Contractor to monitor compliance with the safeguards required in the Information Confidentiality and Security Requirements (ICSR) exhibit. Contractor shall promptly remedy any violation of any provision of this ICSR exhibit. The fact that DHCS inspects, or fails to inspect, or has

**Exhibit G**

Information Confidentiality and Security Requirements

the right to inspect, Contractor's facilities, systems and procedures does not relieve Contractor of its responsibility to comply with this ICSR exhibit.

**Travel Reimbursement Information**  
**(Lodging and Per Diem Reimbursement Increase – Effective for travel on/after January 1, 2014)**

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract. The terms "contract" and/or "subcontract" have the same meaning as "grantee" and/or "subgrantee" where applicable.
  - a. Reimbursement for travel and/or per diem shall be at the rates established for nonrepresented/excluded state employees. Exceptions to California Department of Human Resources (CalHR) AKA California Department of Personnel Administration (DPA) lodging rates may be approved by *the* Department of Health Care Services (DHCS) upon the receipt of a statement on/with an invoice indicating that State employee travel rates are not available.
  - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract or subcontract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of assignments. Headquarters may be individually established for each traveler and approved verbally or in writing by the program funding the agreement. Verbal approval shall be followed up in writing or email.
  - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on Page 2 of this document to determine the reimbursement allowance. All lodging reimbursement claims must be supported by a receipt\*. If a contractor does not or cannot present receipts, lodging expenses will not be reimbursed.

(1) Lodging (with receipts\*):

<b>Travel Location / Area</b>	<b>Reimbursement Rate</b>
Statewide (excluding the counties identified below)	\$ 90.00 plus tax
Counties of Napa, Riverside and Sacramento	\$ 95.00 plus tax
Counties of Los Angeles (excluding City of Santa Monica), Orange, Ventura and Edwards AFB	\$120.00 plus tax
Counties of Alameda, Monterey, San Diego, San Mateo and Santa Clara	\$125.00 plus tax
San Francisco County and the City of Santa Monica	\$150.00 plus tax

Reimbursement for actual lodging expenses that exceed the above amounts may be allowed with the advance approval of the Deputy Director of DHCS or his or her designee. Receipts are required.

\*Receipts from Internet lodging reservation services such as Priceline.com which require prepayment for that service, ARE NOT ACCEPTABLE LODGING RECEIPTS and are not reimbursable without a valid lodging receipt from a lodging establishment.

- (2) Meal/Supplemental Expenses: With substantiating receipts, a contractor may claim actual expenses incurred up to the following maximum reimbursement rates for each full 24-hour period of travel.

<b>Meal / Expense</b>	<b>Reimbursement Rate</b>
Breakfast	\$ 7.00
Lunch	\$ 11.00
Dinner	\$ 23.00
Incidental expenses	\$ 5.00

- d. Out-of-state travel may only be reimbursed if such travel is necessitated by the scope or statement of work and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors/subcontractors must have prior DHCS written or verbal approval. Verbal approval shall be confirmed in writing (email or memo).
- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on Page 2 of this document.
- f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.

2. If any of the reimbursement rates stated herein is changed by CalHR aka DPA, no formal contract amendment will be required to incorporate the new rates. However, DHCS shall inform the contractor, in writing, of the revised travel reimbursement rates and the applicable effective date of any rate change.

At DHCS' discretion, changes or revisions made by DHCS to this exhibit, excluding travel reimbursement policies established by CalHR aka DPA may be applied retroactively to any agreement to which a Travel Reimbursement Information exhibit is attached, incorporated by reference, or applied by DHCS program policy. Changes to the travel reimbursement rates stated herein may not be applied earlier than the date a rate change is approved by CalHR aka DPA.

3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
4. **Auto mileage reimbursement:** If a contractor uses his/her or a company car for transportation, the rate of reimbursement will be **56 cents** maximum per mile. If a contractor uses his/her or a company car "in lieu of" airfare, the air coach fare will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the State. Gasoline and routine automobile repair expenses are not reimbursable.
5. The contractor is required to furnish details surrounding each period of travel. Travel expense reimbursement detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc. Reimbursement for travel expenses may be withheld pending receipt of adequate travel documentation.
6. Contractors are to consult with the program funding the contract to obtain specific invoicing procedures.

**Per Diem Reimbursement Guide**

Length of travel period	And this condition exists...	Meal allowed with receipt
Less than 24 hours	▶ Trip begins at or before 6:00 a.m. and ends at or after 9:00 a.m. ....	Breakfast
	▶ Trip ends at least one hour after the regularly scheduled workday ..... ends or begins at or before 4:00 p.m. and ends after 7:00 p.m.	Dinner
<b><i>Lunch or incidentals cannot be claimed on one-day trips.</i></b>		
24 hours or more	▶ Trip begins at or before 6:00 a.m. ....	Breakfast
	▶ Trip begins at or before 11:00 a.m. ....	Lunch
	▶ Trip begins at or before 5:00 p.m. ....	dinner
More than 24 hours	▶ Trip ends at or after 8:00 a.m. ....	Breakfast
	▶ Trip ends at or after 2:00 p.m. ....	Lunch
	▶ Trip ends at or after 7:00 p.m. ....	Dinner
<p>The following meals may <b>not</b> be claimed for reimbursement: meals provided by the State, meals included in hotel expenses or conference fees, meals included in transportation costs such as airline tickets, or meals that are otherwise provided. Snacks and/or continental breakfasts such as rolls, juice, and coffee are not considered to be a meal.</p> <p>No meal expense may be claimed for reimbursement more than once in any given 24-hour period.</p>		

## Contractor's Release

### Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

### Submission of Final Invoice

Pursuant to contract number 14-90017 entered into between the Department of Health Care Services (DHCS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via invoice number(s) \_\_\_\_\_, in the amount(s) of \$ \_\_\_\_\_ and dated \_\_\_\_\_.

If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

### Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

### Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

### Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a minimum of 0% unless otherwise specified in writing of post consumer material, as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether it meets the requirements of Public Contract Code Section 12209. Contractor specifies that printer or duplication cartridges offered or sold to the State comply with the requirements of Section 12156(e).

### Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHCS or purchased with or reimbursed by contract funds)

Unless DHCS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHCS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHCS, at DHCS' expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

### Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

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**ONLY SIGN AND DATE THIS DOCUMENT WHEN ATTACHING IT TO THE FINAL INVOICE**

Contractor's Legal Name (as on contract): \_\_\_\_\_

Signature of Contractor or Official Designee: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name/Title of Person Signing: \_\_\_\_\_

Distribution:            Accounting (Original)            Program

CONTRA COSTA COUNTY BOARD OF EDUCATION

AGENDA ITEM

ISSUE

Consider adoption of Board Resolution No. 4-14/15 in the matter of Contra Costa County Board of Education authorizing Agreement No. 5600004822 between the State of California Department of Corrections and Rehabilitation and the Contra Costa County Office of Education.

ANALYSIS

This contract authorizes the Contra Costa County Office of Education to operate and administer the Institutional Transition Program. Services include providing inmates with job readiness and job skills prior to their release from prison. Contractor will provide the facilitation of the program utilizing a Division of Rehabilitative Programs (DRP) approved and provided curriculum, and will handle the implementation and day-to-day operation of the program. This Agreement No. 5600004822 in the amount of \$560,000.00 is for the period July 1, 2014 through June 30, 2016.

RECOMMENDATION

Adopt Resolution No. 4-14/15

Approved   
Associate Superintendent

Item No. 7.2.3

Page 1 of 98

Date 10/09/14

Bd. Agenda 10/15/14



IN THE COUNTY BOARD OF EDUCATION

OF

CONTRA COSTA COUNTY, STATE OF CALIFORNIA

In the Matter of Resolution of the	)	
Contra Costa County Board of Education	)	
Authorizing Agreement No. 5600004822	)	
between the State of California Department	)	Board Resolution No. 4-14/15
of Corrections and Rehabilitation and the	)	
Contra Costa County Office of Education	)	
and Authorizing Bill Clark, Associate	)	
Superintendent, to sign said agreement	)	

WHEREAS, The Board of Trustees of the Contra Costa County Office of Education desires to enter into Agreement No. 5600004822 with the State of California Department of Corrections and Rehabilitation in the amount of \$560,000.00 for the period of July 1, 2014 through June 30, 2016, and

WHEREAS, this contract authorizes the Contra Costa County Office of Education to operate and administer the Institutional Transition Program.

NOW, THEREFORE, BE IT RESOLVED that the Contra Costa County Board of Education agrees to enter into the above agreement.

NOW, THEREFORE, BE IT FURTHER RESOLVED that Bill Clark, Associate Superintendent, is hereby authorized to sign and execute said agreement, amendments, or changes to agreement.

PASSED AND ADOPTED this 15th day of October 2014 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

I hereby certify that the foregoing resolution was duly introduced, passed, and adopted.

---

Daniel A. Gomes, Vice President  
 Contra Costa County Board of Education

AGREEMENT NUMBER <b>5600004822</b>
REGISTRATION NUMBER



- This Agreement is entered into between the State Agency and the Contractor named below:  
 STATE AGENCY'S NAME  
 California Department of Corrections and Rehabilitation  
 CONTRACTOR'S NAME  
 Contra Costa County Office of Education
- The term of this Agreement is: Upon Approval through June 30, 2016
- The maximum amount of this Agreement is: \$560,000.00  
 Five Hundred Sixty Thousand Dollars and Zero Cents.
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	18 pages
Exhibit B – Budget Detail and Payment Provisions	2 pages
Exhibit B-1- FY 14/15 Budget	1 page
Exhibit B-2- FY 15/16 Budget	1 page
Exhibit B-3 – FY 16/17 Budget (Optional)	1 page
Exhibit B-4 – FY 17/18 Budget (Optional)	1 page
Exhibit B-5 - Line Item Budget Guide	32 pages
Exhibit C* – General Terms and Conditions	GTC 610
Exhibit D – Special Terms and Conditions for Public Entity Agreements	14 pages
Exhibit E – Business Associates Agreement (HIPAA)	15 pages

**Note:** See page 2 for additional attachments.

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

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

<b>CONTRACTOR</b>		California Department of General Services Use Only
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Contra Costa County Office of Education		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Bill Clark, Associate Superintendent		
ADDRESS 77 Santa Barbara Road, Pleasant Hill, CA 94523		
<b>STATE OF CALIFORNIA</b>		
AGENCY NAME California Department of Corrections and Rehabilitation		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Bedeth Victorioso, Chief, Service Contracts Section		<input type="checkbox"/> Exempt per:
ADDRESS 9838 Old Placerville Road, Suite B-2 Sacramento, CA 95827		

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

Attachment A – Cost Reimbursement Invoice	1 page
Attachment B – Sample Certificate of Completion	1 page
Attachment C – Data Utilization Completion Spreadsheet	4 pages
Attachment D - Data Utilization Collection Procedures	3 pages

## **INSTITUTIONAL TRANSITION PROGRAM**

### **I. INTRODUCTION**

The Institutional Transition Program has been established to provide the California Department of Corrections and Rehabilitation (CDCR) inmates with job readiness and job skills prior to their release from prison. Through a series of modules, each participant will learn about community resources and programs that can assist them in their transition back into their communities. The Program will link participants to one-stop career centers and social service agencies in their counties of residence to ensure access to employment and resources upon release. Each participant will be provided with the basic tools needed to present themselves in a positive light to prospective employers, retain a job once hired and manage their personal finances. These tools include a retrospective of their skills and training prior to and during incarceration and how to integrate these skills and training into a career path. In addition, participants will learn basic processes that will assist them with building financial skills.

The Contractor shall provide for the CDCR, Division of Rehabilitative Programs (DRP), Office of Offender Services (OS), the facilitation, implementation and day-to-day operation of the Institutional Transition Program.

The target population of individuals is age 18 or over, convicted as adults, imprisoned at a CDCR institution and scheduled for release within 60 to 240 days. The Institutional Transition Program will be provided to inmates incarcerated at the High Desert State Prison in Lassen County, located at 475-750 Rice Canyon Road, Susanville, CA 96130.

### **II. PROGRAM REQUIREMENTS**

- A. The Institutional Transition Program shall include, but not be limited to, the following components:
1. 76 hours of instruction provided to participants utilizing a DRP approved curriculum which will be provided to the Contractor upon execution of this Agreement.
  2. The curriculum shall be delivered to participants within a five week timeframe.
  3. Two 3½ hour classes shall be conducted per day; one in the morning and one in the afternoon.
  4. 30 students for each class session.
  5. One Facilitator shall be provided for every 15 participants for a ratio of 1:15; therefore two Facilitators will co-facilitate a classroom of 30 participants. A total of 60 participants will cycle through each 5-week session.

6. Instruction will be conducted Monday through Friday during the five-week class session, except state or local holidays.
  7. Utilization of two Inmate Clerks, when available. (See Article III, Section H., Personnel Staffing, Policies and Procedures, Utilization of Inmate Clerks).
- B. Facilitation of the Program will be conducted in a small group framework where participants work together by supporting each other to develop teamwork skills that are valued by employers. The Program curriculum is divided into eight modules with the following topics:
1. Transition Planning
  2. Job Search, Part I
  3. Job Search, Part II
  4. Job Applications
  5. Winning Resumes
  6. The Interview
  7. One-Stop Career Center Orientation
  8. Financial Literacy

### **III. PERSONNEL STAFFING, POLICIES AND PROCEDURES**

- A. The Contractor shall be responsible for recruiting, training, supervising, and maintaining qualified staff necessary for the delivery of the program. Position descriptions and minimum qualifications shall conform to the requirements listed below; however, actual classification titles may vary.

B. Key Staff Positions

The following positions are designed as key staff positions and shall be filled by permanent employees at all times throughout the term of this Agreement. Key staff positions must be identified and meet the minimum qualifications. The Contractor may provide written justification to the CDCR Program Analyst (PA) for an exemption but shall not utilize the staff unless prior written approval from the CDCR Program Analyst is obtained.

Résumés and duty statements of staff identified in this section must be provided to the CDCR Program Analyst for approval prior to services being provided.

It should be noted that 100% of the projected time equates to one (1) full-time position. During down time, the contract staff shall complete alternative workload requirements at the program facility.

C. Program Director/Manager

The Program Director/Manager is a part-time position. The Program Director/Manager shall possess either:

A Bachelor of Arts degree from a granting institution accredited by the Western Association of Schools and Colleges (WASC) or equivalent, or

Five cumulative years of experience demonstrating a history of administrative duties or program responsibility in services for the offender population; (Experience in providing employment readiness skills or in the social services field may be substituted for the educational and work experience on a year-for-year basis.)

This position supports participant learning outcomes and institutional effectiveness by providing instruction and assistance to adults in incarcerated settings, ensuring that they have access to educational services.

Responsibilities shall include, but are not limited to the following:

- Maintaining the overall administrative responsibility for the delivery of services.
- Planning, directing and coordinating all program activities and the hiring and training of staff.
- Ensure that all Contractor staff attend any CDCR required employee training when made available, including the In-Service Training institutional orientation, i.e. inmate/staff relations, sexual harassment, personal alarm devices and use of force.
- Oversee the budget to ensure that operational costs do not exceed the funding allowed and work with the CDCR Program Analyst when it is determined funding between line items needs to be adjusted in accordance with the Line Item Budget Guide (LIBG)(Exhibit B-3).

1. Essential Functions:

- Must be willing to undergo and be granted a security clearance by CDCR;
- Must be willing to complete all CDCR required employee training when made available, including In-Service Training institutional orientation, i.e. inmate/staff relations, sexual harassment, personal alarm devices, and use of force.
- Ensure that all program requirements of the CDCR Institutional Transitions Program are satisfied;
- Ensure all institutional rules and policies are adhered to;
- Maintain the overall administrative responsibility for the delivery of services;
- Plan, direct and coordinate all program activities and the hiring, training and evaluation of staff;
- Establish inmate training schedule and ensure coverage for all hours of instruction as directed by CDCR;
- Establish schedules for staff and ensure an alternative workload during lockdown;
- Ensure that there is the minimum ratio of 1:15 Program Facilitators to participants at all times;
- Ensure that program staff receive security clearance and are trained prior to assuming duties;
- Research, prepare and train staff in the delivery of training curriculum in the areas of job search, workplace readiness, financial literacy and other areas as requested by the Institutional Transition Program and other related programs;

- Oversee the training and utilization of Inmate Clerks, who will assist in the provision of program services and ensure that staff follow institution policy and guidelines for inmate accountability;
- Ensure that program staff comply with the CDCR Fraternalization policy;
- Ensure that exit interviews are conducted with each participant and a certificate of completion is provided to participants who have completed the program;
- Facilitate communication between the Contractor and in all aspects of the program;
- Facilitate communication with one stop centers (America's Job Center of California) throughout California for each paroling participant, as well as with other service agencies as appropriate;
- Oversee the research, management and dissemination of instructional resources;
- Instruct participants in a variety of subjects, including, but not limited to, job search and work readiness, financial literacy, college and career planning, college readiness and orientation, interpersonal skills, and other topics as requested by CDCR;
- Oversee the development and maintenance of the inventory of instructional resources;
- Serve as a contact for instructional resources; provide information, training, and assistance to participants, staff and volunteers in the access and use of these resources;
- Assist in the communication of instructional services to participants; prepare and disseminate outreach materials;
- Serve as liaison with community college programs and services and community and employment resources and opportunities;
- Communicate with college departments and instructional programs to provide participants with information and access to academic and student support services;
- Monitor, update and maintain enrollment and attendance records and activities per the protocols and procedures of CDCR and the college;
- Oversee reporting, including data collection, thorough completion of reports, timely submission, and troubleshooting problems;
- Assist with program evaluation processes;
- Assist with the college Institutional Program Planning and Review process and follow-up as necessary;
- Perform other related duties as required.

2. Knowledge of:

- Current technologies, personal computer and associated office software such as word processing, spreadsheet, presentation, and/or database software;
- Correct usage of English, grammar, spelling, punctuation and vocabulary.

3. Ability to:

- Maintain confidentiality;
- Promote positive relationships in the community;
- Establish and maintain cooperative working relationships.
- Demonstrate a sensitivity and understanding of the diverse academic, socioeconomic, cultural and ethnic backgrounds, as well as, physical and learning disabilities of staff and participants.

4. Physical ability to:

- Teach and tutor in an incarcerated setting;
- Transport instructional materials throughout the institution;
- Travel with personal transportation;
- Read and comprehend printed matter and text and data on computer monitors;
- Communicate effectively both orally and written. Sit or stand for extended periods of time;
- Lift and/or carry 25 pounds;
- Exert manual dexterity sufficient for keyboard and other office equipment operation.

5. License and Certificates;

- Valid California Driver's License (CDL) or eligible to obtain CDL upon hire.

D. Program Supervisor:

Under the direction of the Program Director, coordinate and oversee the Institutional Transition Program and related educational services and activities provided for participants in assigned classrooms at designated sites; provide technical support, coaching and assistance to teachers and staff, train and provide work direction and guidance to assigned teachers and staff.

1. This individual shall possess:

- Any combination equivalent to a Master's degree and three years teaching experience;
- Three years vocational/workforce development experience.

2. Preferred experience:

- Adult Literacy and Substance Abuse Education experience;
- Three years management experience in a criminal justice setting.

3. Essential Functions:

- Must be willing to undergo and be granted a security clearance by CDCR;
- Must be willing to complete all CDCR required employee training when made available, including In-Service Training institutional orientation, i.e. inmate/staff relations, sexual harassment, personal alarm devices, and use of force.



- Coordinate and oversee the services and activities provided for participants in assigned programs;
- Monitor, evaluate and adjust activities in response to progress and participant and facilitator needs;
- Provide technical support, coaching and assistance to facilitators in the area of assessment, instructional and curriculum;
- Mentor and assist facilitators;
- Respond to inquiries and provide detailed and technical information concerning educational standards, guidelines, requirements, practices, procedures and techniques related to the program;
- Train and provide work direction and guidance to assigned facilitators; review facilitator work and performance for compliance with established standards, requirements and procedures;
- Participate in interviews and recruitment activities;
- Provide input concerning facilitator evaluations and hires;
- Serve as a liaison and coordinate communications, services and activities between the Contractor, CDCR, facilitators, staff and others;
- Resolve program and facilitator issues and conflicts in a proper and timely manner;
- Arrange for substitute coverage as needed;
- Conduct quality reviews;
- Assure classroom activities comply with instructional standards and curriculum requirements;
- Monitor and assess progress and effectiveness of program activities;
- Confer with and assist administrative staff concerning the development of program policies and procedures;
- Compile data and prepare and maintain various records, reports and files related to participants, trainings, inventory and assigned activities;
- Assess performance of facilitators and prepare related reports;
- Prepare and process various forms;
- Develop operational and procedural manuals as directed;
- Develop and implement staff development activities for facilitators;
- Assist facilitators with the development and implementation of lesson plans and instructional activities;
- Develop employee improvement plans as required;
- Operate a variety of office equipment including a copier, fax machine, computer and assigned software;
- Monitor inventory levels of program supplies as assigned;
- Order, receive, stock and maintain adequate inventory levels of supplies;
- Coordinate, attend and participate in various meetings, conferences and in-services training as assigned.

4. Other Duties:

- Perform related duties as assigned.

5. Knowledge and Abilities:

- Educational services, standards, requirements, principles, practices, techniques, theories and procedures related to the curriculum;
- Instructional techniques and strategies related to adult education; curriculum standards, requirements, interpretation and application in educational activities;
- Participant guidance principles and practices;
- Subjects taught in schools, including arithmetic, grammar, spelling, language and reading;
- Classroom procedures and appropriate participant conduct;
- Principles of training and providing work direction and guidance;
- Correct usage of the English language, including; grammar, spelling, punctuation and vocabulary;
- Diverse academic, socioeconomic, cultural, disability and ethnic backgrounds of participants;
- Operation of a computer and assigned software;
- Oral and written communication skills;
- Interpersonal skills using tact, patience and courtesy;
- Record-keeping and report preparation techniques.

6. Ability to:

- Coordinate and oversee the related educational services and activities provided for participants in assigned classrooms at the designated site;
- Provide technical support, coaching and assistance to facilitators;
- Train and provide work direction and guidance to facilitators;
- Assure classroom activities comply with instructional standards and curriculum requirements;
- Assess performance of facilitators and conduct program quality reviews;
- Develop and implement staff development activities for facilitators;
- Learn, interpret, apply and explain laws, codes, regulations, policies and procedures;
- Monitor and assess progress and educational effectiveness of program activities;
- Communicate effectively both orally and in writing;
- Establish and maintain cooperative and effective working relationships with others;
- Operate a computer and assigned office equipment;
- Analyze situations accurately and adopt an effective course of action;
- Meet schedules and time lines;
- Work independently with little direction;
- Plan and organize work;
- Prepare and maintain various narrative and statistical records, reports and files.

7. Licenses and Other Requirements:

- Valid Administrative Services Credential.
- Valid California driver's license.

E. Program Facilitators

There must be a minimum of two (2) permanent full-time Program Facilitator positions or its equivalent (e.g., two part-time positions to equal one full-time position). The Contractor shall determine and identify how many permanent full and/or part-time Program Facilitators will be needed by the program based upon the number of participants. A Program Facilitator shall possess either:

- An Associate of Arts degree from a granting institution accredited by the WASC or equivalent, or
- A minimum of a high school diploma and one of the following:
  - Three years of experience working with the offender population, or;
  - One year of job readiness training from an accepted academic or vocational provider.

The position of Program Facilitator for the CDCR's Institutional Transition Program is distinguished by the requirement to plan, develop, organize and implement instructional services in incarcerated and related settings in a variety of subjects, including, but not limited to; job search and work readiness, financial literacy, college and career planning, college readiness and orientation and interpersonal skills.

This position supports participant learning outcomes and institutional effectiveness by providing instruction and assistance to adults in incarcerated and related settings, ensuring that they have access to educational services.

Responsibilities shall include, but are not limited following:

- Deliver the program topics and program services utilizing the CDCR approved curriculum;
- Assist in establishing and maintaining a variety of record-keeping and tracking systems as well as participant files for the proper collection, dissemination and documentation of necessary information and data;
- Maintain participant files; prepare and submit management information system documents, other reports and correspondence, as required;
- Administer and review the results of vocational and employment-related tests designed to identify skill, aptitudes and interests of eligible participants;
- Ability to assess and evaluate participant's employment goals in relation to their current, transferable or potential skills and their relevance to local labor market conditions;
- Assist participants in accessing resource information about supportive, social and financial services in their community of residence and teach how to identify in their communities;

- Conduct workshops, including work readiness presentations, job search techniques, preparation of resumes, cover letters and applications, life skills, mock interviews, internet familiarity, labor market information and community service topics. These workshops will be in addition to the curriculum provided by CDCR.
1. Essential Functions:
    - Must be willing to undergo and be granted a security clearance by CDCR;
    - Must be willing to complete all CDCR required employee training when made available, including In-Service Training institutional orientation, i.e. inmate/staff relations, sexual harassment, personal alarm devices, and use of force.
    - Deliver the program topics and program services utilizing the CDCR approved curriculum;
    - Assist with the communication with one stop centers (America's Job Center of California) throughout California for each paroling participant, as well as with other service agencies as appropriate;
    - Assist participants with obtaining right to work documents;
    - Ensure all institutional rules and policies are adhered to;
    - Comply with the CDCR Fraternalization policy;
    - Conduct exit interviews with each participant and provide a certificate of completion (Sample Attachment B) to participants who have completed the Program;
    - Assist with the training and utilization of Inmate Clerks, who will assist in the provision of program services and ensure that staff follow institution policy and guidelines for inmate accountability, including providing forms and documents as necessary to CDCR staff regarding inmate pay forms, time-keeping logs and work supervisor reports;
    - Assist in the research and dissemination of instructional resources;
    - Assist in maintaining the inventory of instructional resources. Serve as contact for instructional resources; provide information, training and assistance to participants;
    - Assist with the development of curriculum in a variety of subjects, as needed;
    - Assist in the communication of instructional services to participants; prepare and disseminate outreach materials;
    - Serve as liaison with community college programs and services and community and employment resources and opportunities;
    - Communicate with college departments and instructional programs to provide participants with information and access to academic and student support services;
    - Assist with the reporting, including data collection;
    - Assist with the program review process and follow-up as necessary;
    - Perform other related duties as required.

2. Education and Experience:
  - An Associate of Arts degree from a granting institution accredited by the WASC or equivalent; or,
  - A minimum of a high school diploma and one of the following:
    - Three years of experience working with the offender population; or
    - One year of job readiness training from an accepted academic or vocational provider.
  
3. Knowledge of:
  - The culture, regulations, practices and protocols of California Corrections or the offender population;
  - Methods and techniques of teaching and tutoring, especially to adult learners;
  - Fundamentals of a variety of subjects, including job search and work readiness, financial literacy, college and career planning, college readiness and orientation, interpersonal skills, and other topics as requested by CDCR and other agencies;
  - Methods and practices of record-keeping and report preparation;
  - The needs and sensitivities of special and disadvantaged populations, including the offender population;
  - Current technologies including, internet, personal computer and associated office software such as word processing, spreadsheet, presentation, and/or database software;
  - Correct usage of the English language, including, grammar, spelling, punctuation, and vocabulary;
  - CDCR Policies and procedures.
  
4. Ability to:
  - Maintain confidentiality;
  - Promote positive relationships in the community;
  - Establish and maintain cooperative working relationships with those contacted in the performance of duties;
  - Demonstrate a sensitivity and understanding of the diverse academic, socioeconomic, cultural, and ethnic backgrounds, including physical and learning disabilities of staff and participants.
  
5. Physical ability to:
  - Teach and tutor in an incarcerated setting;
  - Transport instructional materials throughout the facility;
  - Read and understand laws and codes, rules and policies, and other printed matter;
  - Travel with personal transportation;
  - Read and comprehend printed matter and text and data on computer monitors;
  - Communicate effectively both orally and in writing;
  - Sit or stand for extended periods of time;
  - Lift and/or carry 25 pounds;

- Exert manual dexterity sufficient for keyboard and other office equipment operation.
6. License and Certificates:
- Valid California driver's license (CDL) or eligible to obtain CDL upon hire.

Additional administrative personnel (i.e. fiscal or budget) may be added on a case-by-case basis; however, prior approval by the CDCR Program Analyst is required before payment can be rendered for any supplemental job titles.

F. Fraternization Policy

The Contractor shall ensure written policy and procedures are established in compliance with CDCR policy and procedures, which prohibit employees from fraternizing with participants and their families.

G. Security Clearance

The Contractor shall ensure all current and potential staff undergoes and be granted a security clearance by CDCR. Current and potential staff can be granted a provisional security clearance based upon a California Law Enforcement Telecommunications System (CLETS) check until the results of a Live Scan background check are received by CDCR. CDCR shall review the Live Scan reports to ensure Contractor staff meets all CDCR mandates and requirements. The CDCR Program Analyst reserves the right to approve or deny all security clearances. In addition, CDCR has the authority to immediately terminate this Agreement should a threat to security be identified. Staff providing administrative management oversight and monitoring staff shall be a minimum of 18 years of age. Criteria for approval or denial of security clearances are detailed in Exhibit D.

H. Utilization of Inmate Clerks:

Inmate Clerks, when available, will work with Program Facilitators in maintaining the Data Collection Spreadsheet (Attachment C) for inmate attendance. The Contractor must utilize inmates assigned by the institution with the approval of the Warden and/or designee, and consistent with security requirements of the institution. Where the use of Inmate Clerks is approved, the following requirements must be followed:

1. Contractor staff shall establish a training program for the utilization of the Inmate Clerks, who will assist in the provision of program services. Contractor staff shall follow institution policy and guidelines for inmate accountability. Program Facilitators/Teachers shall provide necessary forms and documents as necessary to CDCR staff regarding inmate pay forms, time-keeping logs and work supervisor reports in accordance with CCR, Title 15, Sections 3040 and 3041.
2. Inmate Clerks should reflect the diversity of the institution population.

3. Inmate Clerks will assist the Program Facilitators/Teachers and shall be closely monitored; however, no Inmate Clerk shall be permitted to assume control over other inmates, consistent with the requirements in CCR, Title 15, Section 3022.
4. Inmate Clerks shall work toward or possess the same competencies as the Facilitator staff.
5. Under the direct supervision of the Program Facilitator, Inmate Clerks may provide feedback for the purpose of recording participation, but shall not have access to participants' records, assessment instruments or counselor progress notes.
6. The Warden may impose a time limit on the utilization of inmate clerks to a maximum number of years. The Contractor's Program Facilitator and the Warden or designee shall annually evaluate continued participation of each inmate as a clerk in the program.
7. Plans for the use of inmate clerks are subject to the review, modification and approval of CDCR staff.

#### **IV. ADMINISTRATIVE REQUIREMENTS**

A. Organizational and Administrative Experience and Knowledge:

The Contractor shall be an organization that has had experience for at least three (3) years in the administration of previous contracts, grants or awards of a similar size, scope and funding as outlined in this Agreement, for employment services delivery to inmates or have had at least five years experience providing other similar services to various types of populations. Organization is defined as the entity identified on the STD 204, Payee Data Record on file with CDCR and is directly responsible for delivery of services. Administrative experience shall include all administrative functions of a project, including fiscal, accounting, budgeting, personnel, contract and/or grant management.

B. Organizational Structure:

Prior to delivery of training, the Contractor shall provide a written description and organizational chart to the CDCR Program Analyst outlining the structure of authority, responsibility and accountability of the Institutional Transition Program and its parent organization. This organizational chart may be updated periodically as changes occur without an amendment to the Agreement.

C. Personnel Responsibilities:

The Contractor shall provide staffing consistent with the needs of the program. The Contractor shall be responsible for recruiting, training and supervising staff. Duty statements of all budgeted staff positions must be provided prior to the delivery of the training to the CDCR Program Analyst. Personnel vacancies must be filled within 90 days.

D. Program Products and Materials:

Any and all products and/or materials produced pursuant to this Agreement

shall be the sole property of the State of California. Portions of the product, which are part of previously copyrighted curricula, shall not be considered as a product produced pursuant to this provision. The CDCR shall, without limitation, have the right to use, reproduce, distribute, update, create derivatives, and make copies of the curricula and program design (electronically or in print) in connection with the CDCR's teachings, conference presentations, lectures, other scholarly works and professional activities.

**V. PROGRAM PARTICIPANT DATA AND REPORTING REQUIREMENTS**

**A. Record Keeping:**

Contractor shall maintain all rosters, records and other writings that pertain to the delivery of services under this Agreement for a period of no less than four (4) years from termination of this Agreement, or three (3) years from Fiscal Closeout, whichever is later. The files shall be located in a secure area and Contractor staff shall ensure that participants do not have access.

Monthly submittal of the Utilization Data Spreadsheet must be forwarded to the CDCR Program Analyst on or before the 15th of each month.

**B. Inmate Data:**

Each day the Contractor shall maintain the automated participant program data on the Data Collection Spreadsheet (Attachment C) to ensure compatibility and validity of the program data. All data elements specified in the data collection forms must be completed accurately and in accordance with the Data Collection Utilization Procedures (Attachment D).

In addition, the Contractor shall cooperate in the evaluation of the program and assist CDCR and any designated evaluators in any additional data collection efforts, program fidelity and program analysis. The Contractor shall ensure program implementation takes into consideration the results of data collected and ongoing evaluation efforts.

The Contractor shall have procedures in place to ensure the validity of the data and to protect the data from unauthorized access and/or destruction due to negligence, malice or disaster.

The Utilization Data Collection Spreadsheet shall include the following statistics.

1. Name of WIB, facility and facilitator
2. Agreement number
3. First and last name of each participant
4. CDCR number
5. Number of participants in each class (two classes per day)
6. If only one class is held per day, list reason (i.e., limited space, etc.)
7. Beginning and ending dates of class
8. Course(s) completed



9. If participant does not complete the session, reason for non-completion
10. Number of Certifications Issued

**VI. PERFORMANCE MEASURES:**

- A. It is expected that the complete curricula will be delivered within the five-week timeframe. In the event of an interruption due to institutional constraints, the Contractor shall extend the timeframe to complete the required curriculum. During down time, Contractor staff shall complete alternative workload requirements such as communicating with the community one stop career center staff for each paroling participant for the purpose of linking the participant to employment services upon release.
- B. The Contractor shall engage the participants to actively participate in class exercises and communicate with their peers.
- C. The Contractor shall provide all appropriate participants with a Certificate of Completion
- D. Performance measures will be validated through program evaluation, utilizing such tools as site visits, Program Accountability Reviews (PARS), audits, inmate participant data files and other sources as necessary.
- E. After each five (5) week session, the Contractor shall record the following Key Performance Indicators on the Data Collection Spreadsheet:
  - Number of Participants initially enrolled in the class session
  - Number of Participants Completing the class session
  - Referrals to one stop career center(s)
  - Referrals to other Social Service Agencies
  - Number of Participants assisted with receiving right to work documents

**VII. CONTRACT TERM AND EXTENSIONS**

This Agreement shall be valid and enforceable only if sufficient funds are made available to the State for the fiscal year(s) covered by this Agreement and for the purposes of this program.

If it is determined to be in the best interest of the State, upon Agreement between CDCR and the Contractor, the State may extend this Agreement with no increase in cost for two (2) optional one (1) year terms.

**VIII. CONTRACTOR RESPONSIBILITIES**

- A. The Contractor shall be responsible for performing the following services in accordance with the rules, regulations, policies and procedures governing the CDCR and in accordance with the terms of this Agreement. The Contractor shall:

1. Ensure that all of their employees have completed an orientation provided by CDCR Institution staff before providing services to participants.
2. Ensure the delivery of the Program curriculum when inmates are available and institution scheduling permits; this includes day, evening and any make up hours as applicable and mutually agreed upon by CDCR and the Contractor.
3. If for any reason the class is cancelled, including but not limited to poor weather conditions or holiday, delivery of training shall resume until the entire curriculum has been completed.
4. Ensure that all employees have documentation from CDCR demonstrating that they have passed either a provisional or full security clearance before providing services to participants.
5. Ensure the development and forwarding of all proposed class schedules to the CDCR Program Analyst, CDCR institutional staff and all applicable parties ten (10) working days prior to delivery. The down time between classes shall be no longer than five (5) working days unless a written justification has been approved or an exemption has been granted by the CDCR Program Analyst.
6. At the beginning of a class, it is the responsibility of the Contractor to explain session requirements of attendance; i.e., if a participant has more than three (3) full absences occur in a session the entire class must be retaken.
7. Ensure all participants in need of Right-To-Work Documents are identified during the provision of curriculum Module 1: "Transition Planning", and complete an application for Right-To-Work Documents for all participants identified.
8. Ensure the customization of the Transitions curriculum in Module 7: "One Stop Career Center Orientation", with all applicable information for one stop career centers available statewide, or at a minimum provide one stop career center information for the geographical areas of parole upon release for each class participant.
9. Identify and ensure an alternative workload for Contractor staff during periods of institutional lockdown or other Program down time, including but not limited to providing a list to CDCR of referrals to one stop career center and other social service agencies.
10. Ensure communication occurs with the appropriate community one stop career center staff for each paroling participant for the purpose of linking the participant to employment services after release. In addition, the Contractor shall ensure communication with other agencies as necessary based upon the identified needs of the participants.

11. Ensure exit interviews are conducted with each participant and a certificate of completion is provided to participants who have completed the Program.
12. Ensure all institutional rules and policies are followed and adhered to.
13. Work cooperatively with the CDCR Program Analyst, all CDCR staff and any other public or private entities identified by the CDCR Program Analyst.
14. Rectify any contract non-compliance issues identified by the CDCR Program Analyst during PARS, audits or issues identified by any CDCR staff. A Corrective Action Plan (CAP) shall be submitted within 30 days of notification of non-compliance. Issues of safety will be resolved immediately upon notification. Failure to provide services according to this Agreement within the timeframe established in the CAP may result in termination of this Agreement.
15. Assist and cooperate in all types of CDCR program evaluations of on-site peer reviews and other traditional quality and evaluation activities.
16. Establish an internal administrative fiscal system for the ongoing management of the Agreement. Any costs associated with the management of the Agreement must be included in the rate sheets (Exhibit B-1, Exhibit B-2) and must be in accordance with the July 2010 Line Item Budget Guide (LIBG - Exhibit B-3). All budgets shall be cost reimbursement budgets.
17. The Contractor shall submit monthly invoices for the previous month's expenses on or before the 15<sup>th</sup> of the following month. All invoices are not considered payable until CDCR receives the Contracted employee's monthly accountability of hours worked. Salaries are only allowable for the time the employee is assigned to the contracted program, and must be adequately documented (by time sheets signed by the employee and the immediate supervisor, or payroll register, or payroll warrant, or employee personnel file and general ledger accounts). All reported salary costs shall be based on actual expenditures. The time sheets must show on a daily basis how much time the employee spent on each program and salaries and/or benefits must be prorated accordingly.
18. The Contractor shall submit the previous month's Transitions Program Utilization Data Collection Spreadsheet on or before the 15<sup>th</sup> of the following month to the onsite Parole Services Associate (PSA) or Correctional Counselor III (CCIII).

**IX. CDCR RESPONSIBILITIES**

1. The CDCR shall retain administrative responsibility for the Institutional Transition Program services and shall facilitate adjustments or modifications of procedural and operational details to ensure the most effective delivery. Any such modifications will be provided to the Contractor two weeks in advance of implementation. All proposed revisions to the curriculum and program services by the Contractor shall be reviewed and approved in writing by the CDCR Program Analyst prior to implementation.

2. CDCR shall approve all scheduling of classes.
3. The designated CDCR Program Analyst shall act as the primary liaison between the Contractor, CDCR institution staff and CDCR headquarters staff, and shall have, but not be limited to, the general responsibilities outlined below:
  - a) Schedule and facilitate a start-up meeting prior to implementation between the Contractor and CDCR Institution staff to maximize services provided under this Agreement.
  - b) Provide initial orientation and training to contracted staff prior to assuming duties at the institutional site.
  - c) Administer and monitor this Agreement to ensure contract compliance, through site visits, PARS and audits.
  - d) Provide updates relevant to effective management of participants pursuant to CDCR rules and regulations, policies, and procedures.
  - e) Coordinate program implementation with the institutional case management team and classification staff.
  - f) Provide technical assistance to the Contractor and institutional staff regarding Program operation as needed.
  - g) Coordinate any available CDCR training courses and safety training, as required by CDCR policies, procedures, and California Code of Regulations (CCR), Title 15, with consideration of modalities relevant to the effective management of participants.
  - h) Review and approve institutional protocols or revisions prior to implementation.
  - i) Meet and conduct conference calls with Contractor staff as necessary to review progress and performance. Reviews shall include, but not be limited to, assisting the Contractor in implementation, problem-solving, identifying best practices, reviewing monthly data collection reports, determining future performance objectives and other issues related to the completion of Agreement objectives.
  - j) Provide the Contractor with a classroom, access to communications (telephone lines, facsimile lines, and internet) and postal service (shipping and receiving services).
  - k) Maintain facility operations and address safety, security, and other program issues, which may arise during the term of this Agreement.
  - l) Provide timely processing of the Contractor's monthly invoices by

submitting the Cost Reimbursement Invoice for reimbursement of services rendered.

- m) CDCR reserves the right to remove any participant from the program as deemed necessary.
- n) CDCR has the right to freely observe and monitor the delivery of services under this Agreement.
- o) CDCR may, at its discretion, with written Notice of Suspension, suspend any payment if it appears the Contractor cannot comply with the requirements of this Agreement. CDCR shall provide a reasonable opportunity for correction.

**X. CDCR CONTACT INFORMATION**

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

A. Billing and Payment Issues:

Division of Rehabilitative Programs – Headquarters  
Attention: DRP Invoice Unit  
1515 S Street, 410-S Sacramento, CA 95811  
Phone Number: (916) 324-0154  
Fax Number: (916) 322-1453

Sacramento Headquarters Accounting  
10000 Goethe Road, Suite C  
Sacramento, CA 95827  
Phone: (916) 255-2042  
Fax: (916) 255-5418

B. Scope of Service/Performance Issues:

Division of Rehabilitative Programs  
Office of Offender Services  
Phone Number: (916) 322-9990  
Fax Number: (916) 324-5787

C. General Contract Issues:

Office of Business  
Services Contracts  
Management Branch  
Attn: Headquarters Contracts Unit # 4  
P.O. Box 942883  
Sacramento, CA 94283  
Phone Number: (916) 255-6199  
Fax Number: (916) 255-6187

1. **Invoicing and Payment**

- a. For services satisfactorily rendered, and upon receipt and approval of Contractor's invoices, the State agrees to compensate the Contractor in accordance with the rates specified herein on Exhibit B-1 and B-2 Rate Sheets and made a part of this Agreement. Exhibit B-1 and B-2 Rate Sheets shall remain in force for the stated term of this Agreement and shall include every item of expense, direct and indirect, including taxes incidental to the specified rates.
- b. Invoices shall include the Agreement Number, Purchase Order Number and shall be submitted in triplicate not more frequently than monthly in arrears to the address provided below.
- c. The Contractor also has the option to submit their invoices electronically to the appropriate email address listed below. The Contractor must use the name on the Agreement and the Agreement Number on the subject line of the email. The email must include an attached PDF file of the invoice, in accordance with the information above, and must reference the institution acronym and invoice number. Separate emails shall be sent for contracts with more than one participating institution, facility, office and/or site with the invoice information as stated above.

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

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

**For electronic submission, send invoices to:**  
**[APACContractInvoice@cdcr.ca.gov](mailto:APACContractInvoice@cdcr.ca.gov)**

2. **Budget Contingency Clause**

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

**3. Prompt Payment Clause**

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

**4. Subcontractors**

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

**5. City/County Rate Increase**

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

**PROJECT BUDGET PROPOSAL**  
**Contra Costa County Office of Education**  
**(Cost Reimbursement Budget)**  
**FISCAL YEAR 2014/2015**  
**(July 1, 2014 through June 30, 2015)**

<b>A. PERSONNEL</b>	<b>No. of Positions</b>	<b>Monthly Salary (Range)</b>	<b>Monthly Salary (Rate)</b>	<b>% of Project Time</b>	<b>No. of Months</b>	<b>Total Amount</b>
Program Director/Manager	1	\$7,971-\$10,028	\$10,028.00	1%	12	\$ 1,203
Program Supervisor	1	\$7,081-\$8,650	\$8,650.00	5%	12	\$ 5,190
Program Facilitator/Teacher	2	\$30.47 per hour	\$5,283.00	100%	12	\$ 126,792
Sub Facilitator/Teacher	1	\$29.91 per hour	\$5,185.00	45%	12	\$ 28,000
Sub Clerical Support (Fiscal)	1	\$19.23 per hour	\$3,333.00	40%	12	\$ 16,000
Total Staff Salaries						\$ 177,186
Total Staff Benefits (% of Total Staff Salaries:)						29.70% \$ 52,624
<b>TOTAL PERSONNEL COSTS (A)</b>						<b>\$ 229,810</b>
<b>B. SUB-CONTRACTOR/CONSULTANT COSTS</b>						
						\$
						\$
<b>TOTAL SUB-CONTRACTORS/CONSULTANTS COST (B)</b>						<b>\$ -</b>
<b>C. OPERATING COSTS</b>						
Supplies						\$ 8,126
Equipment Non Cap						
Awards, Certificate Printing Costs						\$ 2,000
Travel for Conferences or Transportation						\$ 13,000
						\$
						\$
<b>Additional Line Items:</b>						\$
						\$
						\$
<b>TOTAL OPERATING COSTS (C)</b>						<b>\$ 23,126</b>
<b>SUBTOTAL ANNUAL DIRECT EXPENSES (A+C)</b>						<b>\$ 252,936</b>
<b>D. TOTAL INDIRECT COST (% of Subtotal Annual Direct Expenses)</b>					<b>10.70%</b>	<b>\$ 27,064</b>
<b>E. PROFIT FEE (% of Subtotal Annual Direct Expenses)</b>						\$ -
<b>F. OPERATING RESERVE/CONTINGENCY FUND (% OF Subtotal Annual Direct Expenses)</b>						\$ -
<b>*TOTAL BUDGET FOR FISCAL YEAR 2014/2015 (A+B+C+D+E+F)</b>						<b>280,000</b>

The State may extend this agreement with no increase in cost for two, optional one year terms.



**PROJECT BUDGET PROPOSAL**  
**Contra Costa College**  
**(Cost Reimbursement Budget)**  
**FISCAL YEAR 2015/2016**  
**(July 1, 2015 through June 30, 2016)**

<b>A. PERSONNEL</b>	<b>No. of Positions</b>	<b>Monthly Salary (Range)</b>	<b>Monthly Salary (Rate)</b>	<b>% of Project Time</b>	<b>No. of Months</b>	<b>Total Amount</b>
Program Director/Manager	1	\$8,210-\$10,334	\$10,334.00	1%	12	\$ 1,240
Program Supervisor	1	\$7,293-\$8,920	\$8,920.00	5%	12	\$ 5,352
Program Facilitator/Teacher	2	\$30.94 per hour	\$5,364.00	100%	12	\$ 128,736
Sub Facilitator/Teacher	1	\$29.91 per hour	\$5,185.00	45%	12	\$ 28,000
Sub Clerical Support (Fiscal)	1	\$18.02 per hour	\$3,125.00	40%	12	\$ 15,000
Total Staff Salaries						\$ 178,328
Total Staff Benefits (% of Total Staff Salaries:)						31.60% \$ 56,352
<b>TOTAL PERSONNEL COSTS (A)</b>						<b>\$ 234,680</b>
<b>B. SUB-CONTRACTOR/CONSULTANT COSTS</b>						
						\$
						\$
<b>TOTAL SUB-CONTRACTORS/CONSULTANTS COST (B)</b>						<b>\$ -</b>
<b>C. OPERATING COSTS</b>						
Supplies						\$ 3,256
Equipment Non Cap						
Awards, Certificate Printing Costs						\$ 2,000
Travel for Conferences or Transportation						\$ 13,000
						\$
						\$
<b>Additional Line Items:</b>						\$
						\$
						\$
						\$
<b>TOTAL OPERATING COSTS (C)</b>						<b>\$ 18,256</b>
<b>SUBTOTAL ANNUAL DIRECT EXPENSES (A+C)</b>						<b>\$ 252,936</b>
<b>D. TOTAL INDIRECT COST (% of Subtotal Annual Direct Expenses)</b>					<b>10.70%</b>	<b>\$ 27,064</b>
<b>E. PROFIT FEE (% of Subtotal Annual Direct Expenses)</b>						\$ -
<b>F. OPERATING RESERVE/CONTINGENCY FUND (% OF Subtotal Annual Direct Expenses)</b>						\$ -
<b>*TOTAL BUDGET FOR FISCAL YEAR 2015/2016 (A+B+C+D+E+F)</b>						<b>280,000</b>

**PROJECT BUDGET PROPOSAL**  
 Contra Costa County Office of Education  
 (Cost Reimbursement Budget)  
 FISCAL YEAR 2016/2017 \*  
 (July 1, 2016 through June 30, 2017)

<b>A. PERSONNEL</b>	<b>No. of Positions</b>	<b>Monthly Salary (Range)</b>	<b>Monthly Salary (Rate)</b>	<b>% of Project Time</b>	<b>No. of Months</b>	<b>Total Amount</b>
Program Director/Manager	1	\$8,210-\$10,334	\$10,334.00	1%	12	\$ 1,240
Program Supervisor	1	\$7,293-\$8,920	\$8,920.00	5%	12	\$ 5,352
Program Facilitator/Teacher	2	\$30.94 per hour	\$5,364.00	100%	12	\$ 128,736
Sub Facilitator/Teacher	1	\$29.91 per hour	\$5,185.00	45%	12	\$ 28,000
Sub Clerical Support (Fiscal)	1	\$18.02 per hour	\$3,125.00	40%	12	\$ 15,000
Total Staff Salaries						\$ 178,328
Total Staff Benefits (% of Total Staff Salaries:)					31.60%	\$ 56,352
<b>TOTAL PERSONNEL COSTS (A)</b>						<b>\$ 234,680</b>
<b>B. SUB-CONTRACTOR/CONSULTANT COSTS</b>						
						\$
						\$
						\$
<b>TOTAL SUB-CONTRACTORS/CONSULTANTS COST (B)</b>						<b>\$ -</b>
<b>C. OPERATING COSTS</b>						
Supplies						\$ 3,256
Equipment Non Cap						
Awards, Certificate Printing Costs						\$ 2,000
Travel for Conferences or Transportation						\$ 13,000
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<b>Additional Line Items:</b>						\$
						\$
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<b>TOTAL OPERATING COSTS (C)</b>						<b>\$ 18,256</b>
<b>SUBTOTAL ANNUAL DIRECT EXPENSES (A+C)</b>						<b>\$ 252,936</b>
<b>D. TOTAL INDIRECT COST (% of Subtotal Annual Direct Expenses)</b>					<b>10.70%</b>	<b>\$ 27,064</b>
<b>E. PROFIT FEE (% of Subtotal Annual Direct Expenses)</b>						\$ -
<b>F. OPERATING RESERVE/CONTINGENCY FUND (% OF Subtotal Annual Direct Expenses)</b>						\$ -
<b>*TOTAL BUDGET FOR FISCAL YEAR 2016/2017 (A+B+C+D+E+F)</b>						<b>280,000</b>

**\*Optional Year Only**

If it is determined to be in the best interests of the State, upon agreement between CDCR and Contractor, the State may extend this agreement.

**PROJECT BUDGET PROPOSAL**  
**Contra Costa County Office of Education**  
**(Cost Reimbursement Budget)**  
**FISCAL YEAR 2017/2018 \***  
**(July 1, 2017 through June 30, 2018)**

<b>A. PERSONNEL</b>	<b>No. of Positions</b>	<b>Monthly Salary (Range)</b>	<b>Monthly Salary (Rate)</b>	<b>% of Project Time</b>	<b>No. of Months</b>	<b>Total Amount</b>
Program Director/Manager	1	\$8,210-\$10,334	\$10,334.00	1%	12	\$ 1,240
Program Supervisor	1	\$7,293-\$8,920	\$8,920.00	5%	12	\$ 5,352
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						\$
						\$
						\$
<b>TOTAL SUB-CONTRACTORS/CONSULTANTS COST (B)</b>						<b>\$ -</b>
<b>C. OPERATING COSTS</b>						
Supplies						\$ 3,256
Equipment Non Cap						
Awards, Certificate Printing Costs						\$ 2,000
Travel for Conferences or Transportation						\$ 13,000
						\$
						\$
<b>Additional Line Items:</b>						\$
						\$
						\$
						\$
						\$
<b>TOTAL OPERATING COSTS (C)</b>						<b>\$ 18,256</b>
<b>SUBTOTAL ANNUAL DIRECT EXPENSES (A+C)</b>						<b>\$ 252,936</b>
<b>D. TOTAL INDIRECT COST (% of Subtotal Annual Direct Expenses)</b>					<b>10.70%</b>	<b>\$ 27,064</b>
<b>E. PROFIT FEE (% of Subtotal Annual Direct Expenses)</b>						\$ -
<b>F. OPERATING RESERVE/CONTINGENCY FUND (% OF Subtotal Annual Direct Expenses)</b>						\$ -
<b>*TOTAL BUDGET FOR FISCAL YEAR 2017/2018(A+B+C+D+E+F)</b>						<b>280,000</b>

**\*Optional Year Only**

If it is determined to be in the best interests of the State, upon agreement between CDCR and Contractor, the State may extend this agreement.



# **LINE ITEM BUDGET GUIDE**

## **For Cost Reimbursement Budgets**

*Developed for*  
**Bidders & Contractors**

*Prepared by the*  
**Office of Business Services (OBS)**

*Last updated July 2010*

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***\*Please note that this guide is not to be used for per diem contracts.\****

The following sample documents are located at the back of this guide:

Project Budget Proposal  
Exhibit AA – Non-Expendable Equipment  
OBS 250 - Budget Transfer Request  
Quarterly Budget Transfer Request  
Monthly Invoice for Contract Expenditures

# LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

## **I. Introduction and Responsibilities**

The Line Item Budget Guide for Cost Reimbursement Budgets (LIBG) was written to assist Bidders and Contractors in the following respective areas of responsibility for a cost reimbursement budget:

### **Bidders are responsible for:**

- Indicating the actual and allowable costs associated in performing contracted services for a cost reimbursement budget (for each fiscal year if applicable) for competitive bidding purposes.

### **Contractors are responsible for:**

- Ensuring all expenditures claimed (including all subcontractor expenditures) are allowable costs as specified in this LIBG;
- Ensuring all costs are associated in performing contracted services for auditing purposes and project review;
- Ensuring all subcontractors performing services have a written agreement stating the contracted services shall be performed in accordance with all contractual responsibilities of the prime contractor;
- Ensuring that costs transferred from one line item to another via the Budget Transfer Request (BTR) process can be supported (justified) to reflect actual and allowable expenses; and,
- Ensuring a budget amendment can be supported (justified) for actual expenses associated in performing contracted services

### **CDCR and Contract Managers are responsible for:**

- Ensuring budget transfers/amendments are in accordance with Line Item Budget Guide policies; and,
- Ensuring budget transfers/amendments do NOT compromise the competitive bidding process (i.e., changes that would not have affected the original award of the contract)

## **II. Actual and Allowable Costs**

Actual, allowable costs incurred by the Contractor shall be substantiated with appropriate source documentation (such as invoices, receipts, and accounting records) for any cost contained in the budget proposal. Receipts and other support documentation need not be submitted with the monthly invoices for contract expenditures, with the exception of travel expenses and subcontractor/consultant costs. However, the CDCR Contract Manager has the right to require the contractor provide supporting documents for any expenses at any time. Failure to provide supporting documentation may result in a delay of or denial of payment.

The Contractor must retain files in the Contractor's headquarters office based in California or at the project service location where services are being provided. All support documentation must be retained for actual expenses incurred for auditing purposes and for project review, as required in Item III, Fiscal Audit provision of this guide.

Allowable costs for a contract shall be limited to those expenditures which are: (1) in conformance with the approved contract budget (have specific prior written approval by the CDCR Contract Manager when required); and (2) for goods and services necessary to the program's operation at the time the costs are incurred. A CDCR audit will be performed on actual costs to ensure all expenses meet both criteria. Any expenses not meeting both criteria may be disallowed.

### **Competitive Bid Consideration:**

Contractors shall ensure that all costs are considered when developing a budget in response to a competitive bid process. The addition of any costs that should have been considered at the time of bid, but were not, will not be allowed under a budget transfer process after the contract is awarded. For instance, changes to the requirements of the program in the Scope of Work, (i.e., the addition/removal of key personnel, or the addition/deletion of tasks or responsibilities), which may have precluded potential bidders from bidding, resulted in fewer/additional points in the evaluation process, or resulted in a lower bid.

For this reason, careful competitive bid consideration will be made to determine whether or not the consequences of an amendment or a budget transfer request have compromised the integrity and fairness of the bidding process.



# LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

Listed below are allowable costs:

## 1. Personnel Costs

### a. Staff Salaries

Personnel salary and wage costs (salary equals compensation for staff who are paid based on a fixed rate for a given amount of time [i.e., weekly, monthly, etc.]; and wage equals compensation for personnel who are paid based on an hourly rate) should be commensurate with the level of responsibility and experience necessary to perform contracted program obligations.

Salaries of personnel who are providing services for more than one contract must be charged to each contract on a proportional basis. Salaries are only allowable for the time the employee is assigned to the contracted program, and must be adequately documented (by time sheets signed by the employee and the immediate supervisor, payroll register, payroll warrant, employee personnel file and general ledger accounts). All reported salary costs shall be based on actual expenditures. The time sheets must show on a daily basis how much time each employee spent on each program and salaries must be prorated accordingly.

Bidders shall ensure that cost of living, merit, or anniversary increases when each position's monthly or hourly rates for each fiscal year of the contract are budgeted. It is recommended that bidders establish a salary range (e.g., \$2,450 - \$2,800). The range must be realistic and conform to industry standards for each position. If salary increases are to be granted, they must be included in the budget when submitting a bid for a single or multiple year contracts. Salary increases not included in the budget at the time of bid will not be allowed at any time during the performance of the contract unless:

- The CDCR Contract Manager increases contract responsibilities which in turn results in increased responsibilities of the established budgeted positions; or
- The program is legislatively approved for cost of living adjustments; or
- The Contractor experiences documented recruitment or retention problems. Recruitment documentation should include, but is not limited to the following:
  - How long the position has been vacant;
  - Prevailing wages; and,
  - Documented recruitment efforts.

Salary increases resulting from recruitment and retention problems must be approved in advance in writing by the CDCR Contract Manager; or

- Salary increases are required by the contractor's agreement with its employees' unions. However, such salary increases must (1) be

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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approved in advance in writing by the CDCR Contract Manager, and (2) not change the total amount of the contract.

### **b. Staff Benefits**

Actual costs for staff benefits shall be provided based on a percentage of total staff salaries. There is no established limit for this percentage; however, CDCR has determined an average percentage for staff benefits of 28% for industrial non-represented employees is allowable.

Bidders should establish a benefits percentage range they will not exceed during any given fiscal year. For example, if workers' compensation is paid quarterly, the percentage for staff benefits would fluctuate on a monthly basis. An established benefits percentage would take these fluctuations into account.

Staff benefits may include regular compensation paid to employees for vacation, sick leave, jury duty, military training, and employer contributions for payroll taxes, employee health and unemployment insurance, social security, workers compensation, and a retirement plan.

The Contractor is responsible for maintaining in reserve a portion of the percentage determined for staff benefits to allow for leave accrual pay-off at the end of the contract or employment termination. Contractor shall maintain documentation to support leave earnings, usage and balances. Vacation leave accrual pay-off shall not exceed two (2) weeks per year per staff person. CDCR will not be liable for payment of accrued vacation time at the end of the contract or employment termination in excess of the amount maintained in reserve.

The Contractor shall deposit reserve funds in an interest bearing account insured by a government agency. Interest earnings are the property of the State and may not be used for any purpose. Such interest earnings must be reported and the interest remitted to the State by the Contractor by July 30th each fiscal year. In the event the contract ends before the close of the fiscal year, payment must be received by the last business day of the month immediately succeeding the end of the contract. The Contractor will remit any interest income to CDCR's Headquarters Accounting Office for placement in the General Fund.

## **2. Sub-Contractor/Consultant Costs**

A sub-contractor or consultant is defined as an individual or a firm, which the Contractor contracts for professional service(s). For the definition of an employee or a contract worker, refer to the Internal Revenue Service Publication 15A. If the Contractor intends to use a sub-contractor(s) and/or consultant(s), the need must be documented, including an estimated total dollar amount, when the bid proposal is submitted to CDCR. Sub-contractors included in the contractor's initial bid proposal shall be subject to the same bid requirements described in the following paragraph.

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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During the term of the contract, if there is any subcontracting activities other than those listed on the bid, the Contractor shall obtain at least three written bids for sub-contracts of \$5,000 or more. Contractors shall ensure at least three informal bids are obtained for sub-contracts less than \$5,000. An informal bid can be a documented verbal quote. If three informal bids are unattainable, the Contractor shall document why they were unattainable. Documentation shall include advertisements, bids received, etc., and shall be maintained by the Contractor. The Bid documentation shall be provided to the Contract Manager. All subcontracts shall be awarded to the lowest responsible bidder, unless the Contractor obtains prior written approval from the CDCR Section Chief of the Program to award based on specific evaluation criteria. If specific evaluation criteria are utilized, a minimum of 30 percent of the points shall be allocated to cost. Subcontracts of \$15,000 or more shall be awarded to the lowest responsible bidder or under an approved evaluation criteria making all efforts to comply with the DVBE participation program (refer to the DVBE requirements). Prior approval by CDCR must be obtained and adequate justification must be submitted to the CDCR Section Chief of the Program if the Contractor selects a consultant/subcontractor based on sole source or specific evaluation criteria. If during an audit it is discovered that the Contractor did not attempt to obtain three written bids or prior CDCR approval for sole source or specific evaluation criteria was not received, consultant/subcontractor fees will be disallowed.

### **3. Operating Costs**

Allowable operating costs are defined as necessary program expenditures, which are based on actual costs substantiated by source documentation. Operating costs can include expendable equipment costs but are exclusive of sub-contractor/consultant service costs and indirect costs. For auditing purposes, the Contractor shall retain source documentation for these expenses such as purchase orders, requisitions, bills of lading, stock received reports, invoices and issued checks/warrants. Only documented direct costs necessary to provide services for this contract are allowable and cannot be based on the overall organizational expenses. Substantiating documentation must be provided upon request. Operating costs can include the following:

#### **a. Communications**

These costs may include telephone, messenger services, cellular telephones, pagers, postage costs, internet services, and printing for job postings.

#### **b. Expendable Equipment**

Expendable equipment is defined as expendable items which depreciate with use and have a unit acquisition cost of less than \$5,000 per unit (i.e. fax machines, computers, printers etc.). Title to any expendable equipment purchased or built with State funds as part of the agreement will vest in the State. The Contractor must retain a listing of expendable equipment purchases that are considered "theft-sensitive" items, such as cameras, calculators, two-way radios, computer equipment, etc., for audit purposes. Upon termination of the agreement, Contractors are required to leave all expendable equipment for use by subsequent contractors or for the State to dispose of accordingly. The State may authorize the continued use of such equipment for work to be performed under a different contract.

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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

### **c. Non-Expendable Equipment**

Non-expendable equipment shall be identified as movable articles which:

1. Have a normal useful life of at least one year; and
2. Have a unit acquisition cost of \$5,000 or more.

(Note that a unit consists of one item.)

CDCR will not provide funding to purchase non-expendable equipment.

Contractors will be allowed to rent/lease equipment to be used in the performance of the contract.

Contractors will be allowed to be compensated for the use of non-expendable equipment through depreciation. The computation of depreciation shall be based on the acquisition cost and the useful life of the non-expendable equipment. CDCR will not pay for depreciation costs of non-expendable equipment that is fully depreciated.

The period of useful life established for each class of non-expendable equipment must take into consideration such factors as type of non-expendable equipment, nature of the non-expendable equipment used, historical and usage patterns (refer to the Internal Revenue Service Publication 946). In the absence of clear evidence indicating that the expected consumption of the non-expendable equipment will be significantly greater in the early portions than in the later portions of its useful life, the straight line method of depreciation shall be used. If straight line method is not used, support justification indicating the depreciation method used must be submitted with the bidder's Budget Proposal.

The bidder shall list all non-expendable equipment needed for the contract on the "Non-Expendable Equipment" form (Exhibit AA), indicating the method of charge (rent/lease or depreciation), and including Exhibit AA with the bidder's Budget Proposal.

CDCR reserves the right to disallow any type of non-expendable equipment not deemed to be needed or applicable to the program. The cost for any disallowed non-expendable equipment will be deducted from the bidder's Budget Proposal. Non-expendable equipment costs not listed on the "Non-Expendable Equipment" form (Exhibit AA) shall be disallowed.

### **d. Facility Lease/Rent**

Reasonable rent or lease costs applicable to the occupied space(s) for the CDCR project may be charged in the budget proposal of the contract. Space costs cannot exceed comparable rental space(s) for the surrounding area. If the Contractor occupies space(s), which will only be partially used for this project, the allowable space costs must be based on the percentage of space used for the project.

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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### **e. Facility Owned**

If the Contractor owns the facility, they may be compensated for the use of the building through (1) depreciation or (2) current interest expense related to the original purchase of the facility. The computation of depreciation will be based on total facility acquisition cost, less land cost. If significant repairs are needed to make the facility usable for the project, prior written approval from the CDCR Contract Manager is required. A straight-line method of computing depreciation must be used. The contractor must possess the proper records to validate these costs and are subject to CDCR approval. The method of computing depreciation must be in accordance with Generally Accepted Accounting Principles (GAAP), and must be consistently applied. Only interest expense related to the original purchase price's remaining principal balance is allowed. Interest expenses related to equity loans are not allowable.

If a Contractor-owned facility is fully amortized and fully depreciated, a rental fee equal to Fair Market Value is allowable. The Fair Market Value shall be supported by an appraisal report prepared by a licensed independent real estate appraiser.

### **f. Food Costs**

This covers food products used in the preparation of meals and does not include non-food products, e.g., eating utensils, pots, pans, cleaning detergents, etc. Whenever feasible, CDCR recommends purchasing food items in bulk at wholesale prices. If a Contractor is required to maintain a stock of food items, an inventory control system must be utilized to ensure appropriate use of items. Food costs for contractor staff is unallowable.

### **g. Household Supplies**

Household supplies are those items necessary for the operation of the project and include, but are not limited to: linens, kitchen utensils, hygiene items, and cleaning supplies.

### **h. Insurance**

Reimbursement for required insurance will be based on actual costs incurred. State reimbursement in this area is contingent upon receipt of an actual invoice from the insurance carrier detailing that the costs are specifically for this contract. Additional costs beyond the required levels of the contract will be incurred by the Contractor.

### **i. Interest**

The Contractor may use allocated funds for interest when the State's annual budget is delayed and payments cannot be made to the Contractor, resulting in the inability for continued services unless the Contractor borrows funds. Any other situation for interest payments will be handled on a case-by-case basis and must be approved in writing by the Deputy Director of the Program.

### **j. Line Item Additions**

These are blank areas on the Budget Proposal in which the Contractor has identified additional expense areas that CDCR concurs are necessary to provide contracted services and are obtained utilizing the Budget Transfer Request (BTR) process (see Budget Transfer Requests).

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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**k. Linen Services**

Linen services consist of outside services obtained to provide clean linen for use in the project (common for residential facilities contracts).

**l. Maintenance/Repair**

Allowable maintenance and repair costs are those that are necessary for the upkeep of the facility and non-expendable equipment.

**m. Project Supplies**

Project supplies include items which directly benefit the participants of the project. Project supplies include, but are not limited to: newspapers, brochures, magazines, books and other related publications.

**n. Supplies**

Supplies are defined as expendable items which depreciate with use and are limited to supplies necessary to meet the project's scope of work. Title to any expendable supplies purchased or built with State funds as part of the agreement will vest in the State. Upon termination of the agreement, Contractors are required to leave all unused supplies for use by subsequent contractors or for the State to dispose of accordingly. The State may authorize the continued use of such supplies for work to be performed under a different contract.

The cost of items purchased should be comparable to the prevailing price for similar items.

**o. Training**

Cost of required training for employee development benefiting contract programs.

**p. Travel**

If the contractor and/or subcontractor are required to travel during the performance of this Agreement, the CDCR agrees to pay travel, per diem and expense costs described at rates not to exceed those approved by the Department of Personnel Administration for similar staff.

Receipts are required for every item of expense (i.e., airline tickets, lodging, meals, etc.) incurred as a result of conducting State business and must be attached to the invoice. No reimbursement will be paid without a receipt.

The contractor may not claim lunch or incidentals on trips less than 24 hours. When trips are less than 24 hours and with no overnight stay, any meals claimed are taxable.

The contractor may not claim meals provided by the State, meals included in hotel expenses or conference fees, meals included in transportation costs such as airline tickets, or meals that are otherwise provided. Snacks and continental breakfasts such as rolls, juice, and coffee are not considered to be meals.

# LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

## REIMBURSEMENT ALLOWANCES:

### Airfare

Airfare will be reimbursed at economy/coach rates. Requests for reimbursement at business class and first class rates will be disallowed.

### Meals and Incidentals

The following reimbursement rates are maximums, not allowances. The contractor may only claim their *actual* expense.

Breakfast: Up to \$6; Lunch: Up to \$10; Dinner: Up to \$18;  
Incidentals: Up to \$6

On the first day of travel, if the trip begins at or before 6:00 am –  
Breakfast may be claimed; 11:00 am – Lunch may be claimed; 5:00 pm  
– Dinner may be claimed

If the trip continues after 24 hours and if the trip ends at or after 8:00  
am – Breakfast may be claimed; 2:00 pm – Lunch may be claimed;  
7:00 pm – Dinner may be claimed

### Lodging Reimbursements

The following reimbursement rates are per night maximums of actual expenses, plus tax, and not allowances.

COUNTIES	RATES
Alameda, San Francisco, Santa Clara, San Mateo	Up to \$140
Los Angeles, San Diego	Up to \$110

If the county is not listed above, the standard rate of **\$84** for lodging will apply.

### q. **Utilities**

These costs may include gas, electricity, water and trash collection.

## 4. **Indirect Costs**

Indirect costs are those costs incurred for a common or joint purpose benefiting more than one objective. The term “indirect costs” as used herein applies to costs incurred in the Contractor’s administrative department, as well as those incurred in other departments in carrying out the functions and objectives of the contract.

Indirect cost rates are based on annual direct expenses. An indirect cost rate is only applied to a bidder’s Budget Proposal if servicing more than one program (e.g., bidder is presently providing a program service to another State agency, local entity or organization). Indirect cost rates shall not be applied to sub-contractor costs.

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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Bidders that have established indirect cost rates with other governmental agencies may use their approved Cost Allocation Plan (CAP) for State purposes. However, the State will disallow costs that do not comply with the LIBG, even if those costs are allowable under other government agencies' rules.

Accounting records shall include documentation of all costs supporting the expenses used to compute the indirect cost rate. Contractors shall adjust the indirect cost rate annually during the term of the contract to reflect actual costs incurred without exceeding the budget.

### **a. Cost Allocation Plan**

The purpose of the CAP is to ensure that there is equitable distribution of indirect costs to all the Contractor's programs or operations. The CAP will include all associated expenses and must be provided at the time of bid submittal. If the indirect cost rate is determined to be inaccurate, the indirect cost rate will be recalculated to reflect the Contractor's supportable rate and the bid adjusted accordingly. In addition, previous payments made by the State in excess of the supported indirect cost rate will be withheld from future payments to the Contractor or claimed during cost recovery in the close out audit.

## **5. Profit Fee**

A one-time maximum profit fee of up to 5 percent (5%) of the cost of operating the project, exclusive of indirect costs and sub-contractor costs, is allowed per fiscal year. Profit fee costs will be added to the other proposed costs and become part of the total bid. If a budget amendment occurs due to an increase or decrease in fiscal year funding levels, the Contractor shall adjust the budgeted profit fee costs accordingly. At no time shall the profit fee percentage be greater than that of the original bid. Any unallowable costs from an audit may result in a recalculation of profit fee costs and recovery by CDCR of the difference.

**Note: Only for-profit contractors may claim a profit fee.**

## **6. Operating Reserve/Contingency Fund**

Nonprofit organizations and government agencies may include a line item for Operating Reserve/Contingency Fund, which can be up to 5 percent of the cost of operating the project, exclusive of indirect and subcontractor costs. The Operating Reserve/Contingency Fund can only be used when all three criteria below are met:

- Necessary to pay for unanticipated costs as determined by the CDCR Program's Deputy Director or equivalent, which is directly associated with approved contract services;
- To be used for allowable expenses as detailed in the LIBG, Section II, Actual and Allowable costs; and,
- Funds from other line items are not available to pay for the unanticipated costs.



## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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This line item may not be invoiced directly; therefore, if the Contractor wishes to use these funds, prior written approval must be obtained from the CDCR Program's Deputy Director or equivalent. The request shall be made through either a budget transfer request (approved by CDCR Program's Deputy Director or equivalent) or amendment request (approved by CDCR'S Office of Business Services (OBS) and/or Department of General Services). The request must clearly describe the need for the funds and also explain why funds from other lines are not available to pay for the unanticipated costs. CDCR reserves the right to require that the Contractor provide all information and documents necessary to justify the request. If during the term of the contract an amendment is approved that increases or decreases the amount of the contract, the amount of the Operating Reserve/Contingency Fund may be adjusted accordingly. Any unallowable costs from an audit may result in a recalculation of the Operating Reserve/Contingency Fund costs and recovery by CDCR of the difference.

### **7. Allowable Indirect Costs**

The following costs are typically considered indirect. However, if these costs can be easily allocated to a final cost objective, they shall be identified on the line item budget as a direct cost.

#### **a. Accounting**

The cost of establishing and maintaining accounting and other information systems required for the management of contracted programs. This includes costs incurred by central service agencies for these purposes.

#### **b. Advertising**

Advertising media includes newspapers, magazines, radio, Internet, television programs, direct mail, trade papers, etc. Allowable advertising costs are solely for:

- Recruitment of personnel required for the contracted project;
- Solicitation of bids for the procurement of required goods and services;  
or,
- Other purposes specifically provided for in the contract.

#### **c. Audit Service**

The cost of audits necessary for the administration and management of functions related to the contracted program.

#### **d. Bonding**

Cost of fidelity, surety and performance bond premiums.

#### **e. Budgeting**

Costs incurred for the development, preparation, presentation and execution of budgets.

#### **f. Corporate Staff**

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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Costs connected with persons who, while not included as part of the contract, are necessary for the successful completion of said contract.

**g. Disbursing Service**

Cost of disbursing contract program funds by the Contractor's treasurer or other designated officer. Disbursing services cover the processing of checks or warrants from necessary records of accountability and the reconciliation of such records with related cash accounts.

**h. Electronic Data Processing**

The cost of data processing services related to the contracted program.

**i. Legal Expenses (Contract Administration)**

The cost of legal expenses required in the administration of contract programs. NOTE: Three bids are not required for legal services.

**j. Management Studies**

The cost of management studies to improve the effectiveness and efficiency of management for ongoing programs; subject to such prior authorization as may be required by the State.

**k. Meetings and Conferences**

Costs when the primary purpose of the meeting is the dissemination of technical information relating to the contract program and are consistent with regular practices followed for the other activities of the Contractor. Registration fees are allowable under this line item. If travel is required for the meeting/conference, refer to the section entitled, "Actual and Allowable Costs," paragraph 3 "Operating Costs," subsection "p. Travel" on page 8.

**l. Memberships, Subscriptions and Professional Activities**

The cost of membership in civic, business, technical and professional organizations provided the:

- Benefit from the membership is related to the contract program;
- Expenditure is for Contractor's membership;
- Cost of the membership is reasonably related to the value of the services or benefits received;
- Expenditure is not for the membership in an organization which devotes a substantial part of its activities to influencing legislation; and,
- Single membership cost does not exceed \$100.00.

**m. Morale, Health and Welfare Costs**

These costs must be comparable to what State employees receive and requires prior written approval by the CDCR Contract Manager.

**n. Payroll Preparation**

Cost of preparing payrolls and maintaining necessary related wage records.

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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**o. Permits**

Licenses, permits and local government use fees (e.g. conditional use permit fees, business license, etc.) are allowable.

**p. Personnel Administration**

Cost for the recruitment, examination, certification, classification, training, establishment of pay standards and related activities for contract programs.

**q. Printing and Reproduction**

Costs for printing and reproduction services, which are necessary for program administration include, but are not limited to: forms, reports, manuals, information literature and related services which are in support of CDCR's contracted program.

**r. Procurement Service**

The cost of procurement services include solicitation of bids, preparation and award of contracts and all phases of contract administration to provide goods and services for contract programs.

**s. Taxes**

In general, taxes or payment in lieu of taxes, which the Contractor is legally required to pay are allowable. In lieu taxes only relate to contracts with other governmental entities and then only if the governmental entity can show documentation (law or resolution) legally entitling the collection of in lieu tax. In lieu taxes do not apply to private profit and nonprofit organizations. *Payment of any type of income tax (federal, State or local) is not allowable.*

**t. Transportation**

Transportation costs relating either to goods purchased, delivered or moved from one location to another. When such allowable transportation costs occur in moving items from one of the Contractor's CDCR contracted facilities to another, the cost shall be charged against the receiving facility's contract.

**u. Warehouse**

Cost of maintaining and operating a warehouse for supplies and materials used either directly or indirectly for contracted projects.

**8. Unallowable Costs**

The following are unallowable costs that cannot be considered in the Budget Proposal:

**a. Bad Debts**

Loss arising from uncollectible accounts and related costs.

**b. Bonus/Gifts**

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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Costs associated with bonuses and/or other gifts.

**c. Contributions, Donations and Fundraisers**

Contributions, donations, and fundraisers, including any expenses related to these activities are unallowable.

**d. Entertainment**

Costs of amusements, social activities and incidental such as meals, beverages, lodgings, rentals, transportation and gratuities are not allowable, unless such activity is specifically required as part of the project scope.

**e. Fines and Penalties**

Costs resulting from violations of or failure to comply with Federal, State and/or local laws and regulations. Penalties and fees resulting from the contractor's failure to meet financial obligations (charges/interest for delinquent payments, insufficient cash to cover checks, etc.) are also unallowable.

**f. Legal Expenses (Claims Against the State)**

Refer to Exhibit D – CDCR Special Terms and Conditions.

**g. Legislative Lobbying Costs**

Costs associated with lobbying activities.

### **III. Fiscal Audits**

CDCR Office of Audits and Compliance (OAC), or any duly authorized Audits and Compliance representative, shall have the access and right to examine, audit, review, excerpt and transcribe any books, documents, papers or records of the Contractor and/or sub-contractor which in the opinion of the State may be pertinent to this contract. Such material for each year of the contract must be retained for a period of five years after the termination of the contract or until an audit is completed by the State and all questions arising there from are resolved. *An exception to the five-year period occurs when a contract audit is in dispute or litigation is ensued. In these instances, records are retained until all issues are resolved.*

Audits and reviews may be conducted at any time during the performance of the contract or during the five years following the completion of the contracting period. Actual costs incurred by the Contractor for expenses must be substantiated with appropriate source documentation. It is the Contractor's responsibility to ensure that all expenditures claimed, including all subcontractor expenditures, are allowable costs associated in performing the contracted services as specified in the LIBG.

## LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

If expenditures are found to be unallowable during an audit, the Contractor's and/or subcontractor's reimbursements will be recalculated and adjusted accordingly. Noncompliance with financial management guidelines set forth herein will result in a disallowance of reported costs. A misappropriation of funds shall result in a disallowance of costs.

If the Contractor received payments that are determined to be unallowable, then, in addition to any other remedies the State may have, the State may withhold payments from the Contractor to recover these costs. The State also reserves the option to collect any unallowable costs from the Contractor in monthly installments.

If disallowed or questionable costs are found, a draft report will be issued to the Contractor for review and comment. The Contractor will have 30 days to submit written comments and/or supply additional source documentation to the State for consideration in preparing the final report. The parties hereto mutually agree that the resolution of any issues pertaining to audits shall be resolved pursuant to Section 22090.7 of CDCR's Operations Manual.

### **IV. Project Budget Proposal**

Attached is a blank Project Budget Proposal (Attachment 1) which displays some of the allowable costs for a cost reimbursement budget. The project budget proposal displays five (5) separate budget categories (A, B, C, D, E and F) and indicates the line items within each budget category. CDCR's Accounting Office will pay invoices based on monies available in the overall category and not by line item amount.

#### **1. Total Personnel Costs**

*Total Staff Salaries*

*Total Staff Benefits*

#### **2. Sub-Contractors/Consultants Costs**

*(Identified by Bidder)*

#### **3. Total Operating Costs\***

*Communications*

*Expendable Equipment*

*Non-Expendable Equipment (per Exhibit AA)*

*Facility Lease/Rent*

*Food Costs*

*Household Supplies*

*Insurance*

*Interest*

*Line Item Additions*

*Linen Services*

*Maintenance/Repair*

*Supplies*

*Travel*

# LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

## Utilities

4. Total Indirect Costs
5. Profit Fee (for-profit organizations)
6. Operating Reserve/Contingency Fund (non-profit/government agencies)

\* Any other associated operating cost applicable to the project is an allowable cost and may be added to the budget proposal as an additional expenditure under Total Operating Costs budget category. Refer to the section entitled "II. Actual and Allowable Costs," paragraph 3 "Operating Costs," sub-paragraph j "Line Item Additions".

## V. Establishing Monthly Salary Rates

A bidder may need to establish different monthly salary rates for personnel positions for a multi-year contract to reflect salary increases for subsequent fiscal years (FY) of the contract, as indicated below:

### 1. Monthly Salary Rates

Considerations for a monthly salary increase should include:

- Cost of living adjustments (COLAs);
- Merit salary adjustments; and/or,
- Anniversary increases.

### 2. Establishing a Monthly Salary Range

A bidder may establish a monthly salary range for:

- A single staff position; and/or,
- Multiple staff positions (with the same position title).

By establishing a monthly salary range, this allows personnel to have varying monthly salaries and the established rates shall be inclusive of any salary increases during a fiscal year. For a multi-year contract, a bidder may also establish different monthly salary ranges for each fiscal year. Establishing salary ranges will allow the Contractor to make salary adjustments within the established range during the contract term to accommodate unexpected personnel changes. The range must be realistic and conform to industry standards for each position.

The following displays an example monthly salary range by FY:

Single Staff Position	
Supervising Caseworker	\$3125 - \$3280 (1st FY)
	\$3280 - \$3445 (2nd FY)
	\$3445 - \$3615 (3rd FY)

Multiple Staff Positions	
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## LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

<b>23 Caseworkers</b>	\$2550 - \$2675 (1st FY)
	\$2675 - \$2800 (2nd FY)
	\$2800 - \$2940 (3rd FY)

A Budget Transfer Request (BTR) approved by the CDCR Deputy Director of the Program is required for all salary increases. An approved contract amendment is required for salary increases over 15%. The BTR and/or contract amendment has to be approved before the salary increase is granted, and must meet the criteria for allowable salary increases—refer to the section entitled “II. Actual and Allowable Costs”, paragraph 1 “Personnel Costs”, subparagraph “a. Staff Salaries”.

### 3. Position’s Time Base

CDCR may determine a position’s time base when developing a project budget proposal requirement for a competitive bid or may allow a bidder to indicate a position’s time base. A position’s time base is the program time (indicated by either a percentage or hours) associated in performing contracted services.

### 4. Project Time by Percent Range for Multiple Staff Positions

The percentage of program time may be established by the bidder as a percentage range for multiple staff positions (as seen below), with this percentage range indicating that one or more staff positions are providing services at a less than full-time basis:

8 Counselors:

\$2450-\$2575 monthly salary @ 50%-100% = \$219,150 budget amount

To compute the budgeted amount for the 8 Counselors, each position’s monthly salary rate and time base vary for the FY:

1 @ \$2450 @ 50% = \$14,700

1 @ \$2450 @ 75% = \$22,050

2 @ \$2450 @ 100% = \$58,800

4 @ \$2575 @ 100% = \$123,600

A bidder would not need to display this application on the project budget proposal; however, for invoicing purposes, the monthly salary paid to each staff person cannot be more than the established monthly salary rates and time base.

### 5. Project Time by Hours

A bidder may indicate a position’s project time base by the “number of hours” dedicated to the project during a fiscal year, however, this application would require the position’s salary to be indicated as an “hourly salary rate” in order to compute the position’s budgeted amount, as shown below:

Supervising Counselor: \$18.50 hourly rate @ 2016 total hours = \$37,296

## LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets

### **Invoicing for a Position's Budgeted Hourly Rate**

Hourly rate increases over 15% must have prior amendment approval by CDCR's Deputy Director of the Program and the Office of Business Services before making commitment to staff.

#### **6. Personnel Positions**

CDCR determines the "key staff" positions for a project budget proposal. Personnel positions identified in the project budget proposal are direct costs associated in performing the services required in the scope of the project.

A bidder may identify other staff positions necessary to fulfill the requirements of the contract.

#### **7. Temporary Help and Overtime Displayed**

A bidder may include separate position lines for temporary help and overtime as displayed below.

Please note that the budgeted salary and project time base may be indicated as "various" since these are unknown factors during the development of a project budget proposal. Overtime may reflect any of the personnel positions listed.

<b>A. PERSONNEL</b>	<b>No. of Positions</b>	<b>Monthly Salary</b>	<b>% of Project Time</b>	<b>No. of Months</b>
Overtime	Unknown	Various	Various	Unknown
Temporary Help	Unknown	Various	Various	Unknown

#### **8. Costs Displayed for Budget Categories and Line Items**

- Budget category budgeted amounts must be displayed in "dollars";
- Monthly salary rates must be displayed in "dollars";
- Hourly rates may be displayed in dollars and cents. If hourly rates are displayed, the project time base must indicate the total "number of hours" (*not indicated by percentage of time*) for the fiscal year for calculation purposes; or,
- Non-expendable equipment items must be listed and the method of charge identified.



**Frequently Asked Questions (F.A.Q.)**

**1. What is an amendment?**

An amendment is defined by the California State Contracting Manual as “a formal modification or change of a material term, such as the term, cost, or scope of work, in one or more provisions of an existing contract.”

**2. When is a formal amendment required?**

An amendment is required when any of the following proposed changes to an executed contract are required:

- Change in the scope of work;
- Change in contract term;
- Increase or decrease in total funding for any one fiscal year;
- Salary increases over 15% of the budgeted high salary range; or,
- Increase in the total Personnel category greater than 15%.

**3. What is a Budget Transfer Request?**

A Budget Transfer Request (BTR) is an informal document used by the Contractor to indicate budget transfer costs of existing project funds without the need to process a formal amendment. The BTR is only used when there is no increase in the funding level and/or no change in the scope of the project. The BTR enables the Contractor to adjust the line item budget to reflect actual expenditures. The BTR must be approved by the Deputy Director or equivalent of the CDCR Program.

The Line Item Budget Guide includes a copy of the BTR form. You must include all applicable supporting documentation when submitting a BTR for review.

**4. What are allowable budget transfers?**

Transfers either within or across categories, and up to 15% of original bid per fiscal year, will be allowed each fiscal year without submitting an immediate BTR. The 15% is cumulative for each fiscal year budget. All transfers exceeding 15%—excluding “Personnel”—must be documented on the BTR form. If necessary, allowable transfers may be accomplished by transferring funds across the established categories.

For audit purposes, the Contractor shall maintain documentation concerning their BTR. At the end of each quarter within the fiscal year, the Contractor will reconcile

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

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their budgets with CDCR. The CDCR Accounting Office will pay invoices based on monies available in the overall category and not by line item amount.

Transfers moving funds into/from the Indirect Cost, Profit Fee, and/or Operating Reserve/Contingency Fund categories to/from any other line item are not allowed.

### **5. How soon do I need to file a BTR?**

Prior written approval for any type of transfer or change not identified below must be requested from the Deputy Director of the Program. If the request is approved, the Contractor will be provided written notification to process a BTR for the requested transfer or change.

The following actions require an *immediate* BTR and approval from the Deputy Director or equivalent of the CDCR Program:

- An adjustment to budget costs across established budget categories greater than 15% of original total for that category. (e.g., “Operating Costs”; “Subcontractor/Consultant Costs”, etc., but excluding “Personnel” category).
- Adding new line item(s) in any one of the budget categories.
- An increase in benefits only for the following documented circumstances:
  - a. An increase in employee health care or workers’ compensation costs.
  - b. An increase in social security or unemployment insurance costs.
  - c. An increase in employee payroll taxes.

Documented proof of increased costs must be provided (i.e., tax documents, invoices, etc.).

- An addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project.
- An increase in a budgeted position’s time base (e.g., from 50% to 75%, etc.).

### **6. What are the Contractor’s responsibilities concerning a BTR?**

The Contractor shall submit a BTR once each quarter to reconcile any movement of funds not requiring the submittal of an immediate BTR. No later than 15 business days after the end of each quarter, the Contractor will submit their quarterly BTR to the Contract Manager. The BTR must reflect budget transfer costs of existing project funds, provide justification and supporting documentation for each budget transfer, and submit a revised budget for the affected fiscal years. The justification/documentation memorandum must accompany the BTR and be signed by the Contractor’s Director or designee. *If no movement of funds occurred during any quarter, the Contractor will indicate this on their last monthly invoice for that quarter.*

### **7. What are CDCR's responsibilities concerning a submitted BTR?**

CDCR Contract Managers must submit a copy of all approved BTRs, along with a revised budget, to the CDCR Accounting Services office and the Office of Business Services (OBS). OBS will review all BTRs and revised budgets to ensure that they are in accordance with the guidelines. Any approved BTR that is deemed inappropriate will be noted and directed to the OAC for audit exceptions. OBS will notify the CDCR Contract Manager of any BTR that has been forwarded to the OAC.

The Accounting Office will not pay invoices exceeding the budgeted category amounts until an approved BTR and revised budget have been received from the CDCR Contract Manager. The Accounting Office will only pay invoices for categories that are reflected in the current approved line item budget that have sufficient funds. All BTRs and revised budgets will be maintained in the contract file.

BTRs are effective for the entire fiscal year of request. BTRs for the last quarter of any given fiscal year, or upon term end of contract, must be received by CDCR's Accounting Office and OBS (after program review and approval) no later than 90 days after the fiscal year end. BTRs received after 90 days of the fiscal year end must be accompanied by a signed late justification memorandum, submitted by the contractor for approval by the Deputy Director or equivalent of the CDCR Program.

### **8. How do I include duties performed for a vacant position?**

A vacant position's duties may be temporarily performed:

- By an existing position whose time base is currently less than 100% (*e.g., time base of 75% increased to 100% and the existing position's budgeted amount would also increase by transferring costs from the vacant position*); or,
- By allowing existing staff to work overtime; or
- By employing temporary help.

### **9. What are allowable salary rate increases?**

Salary increases *not included in the budget at the time of bid* will only be allowed during the term of the contract under the following conditions:

- CDCR increases contract responsibilities which results in increased responsibilities of the established budgeted positions; or,
- The project is legislatively approved for cost of living adjustments; or,
- The Contractor experiences documented recruitment or retention problems; or,

## **LINE ITEM BUDGET GUIDE for Cost Reimbursement Budgets**

- Salary increases are required by the Contractor's agreement with its employees' unions.

Salary increases over 15% of the high range, other than those included in the budget at the time of bid, must have **prior** amendment approval before making commitments to staff.

### **10. What can cause a change in the number of budgeted positions?**

The number of established budgeted positions may increase (e.g., from 3.5 to 5 full time employee positions) due to an increase in the quantity of services.

An employee's percentage of time worked may increase (e.g., from 75% to 100%) when performing additional duties.

### **11. When can new budget line items be added?**

New positions, excluding temporary help, may be added to a project budget during the contract amendment process due to a change in the scope of work. A new position's salary range, percentage of time and number of months must be shown on the project budget. A new position's salary range must be in line with the established salaries identified in the project budget.

Additional budget line items and associated costs may be added by an amendment to reflect the actual increased costs associated with providing services.

The Contractor is allowed to add new line items by utilizing existing funds within each FY budget without the need to process an amendment.

*All new line items must be reflected in a BTR.*

### **12. How do I configure monthly invoices for contract expenditures?**

The Contractor may use CDCR's monthly invoice form entitled, "**Monthly Invoice for Contract Expenditures**" (included in this guide) *or may develop a similar monthly invoice form*. If a Contractor elects to develop their own monthly invoice, the monthly invoice **must include** the same data information and associated costs as indicated on CDCR's monthly invoice. The CDCR Accounting Office will pay invoices based on monies available in the overall category and not by line item amount.

3/98 Revision removed M/WBE and CMB refs

1/99 Revision delegated approval process to Program

2/00 Revision added back the service fee for non-profits/misc. clarifications

2/00 Revision included Mgr Review revisions

4/00 Recreate document, system lost

9/00 Revision to reflect payment by budget category amount rather than by line item amount.

(SEE END OF FULL DOCUMENT)

# **SAMPLE DOCUMENTS**

**Project Budget Proposal  
Exhibit AA – Non-Expendable Equipment  
OBS 250 - Budget Transfer Request  
Quarterly Budget Transfer Request  
Monthly Invoice for Contract Expenditures**

Bidder's Name: \_\_\_\_\_

Bid Number \_\_\_\_\_

Project Budget Proposal  
 (Cost Reimbursement Budget)  
 Bid for \_\_\_\_\_  
 Fiscal Year 20\_\_/20\_\_

A. PERSONNEL	Number of Positions	Monthly Salary *	% of Project Time *	Number of Months *	Total
<b>Total Staff Salaries</b>					
<b>Total Staff Benefits ( ____ % of Total Staff Salaries)</b>					
<b>TOTAL PERSONNEL COSTS (A)</b>					
<b>B. SUB-CONTRACTORS/CONSULTANTS COSTS</b>					
<b>TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)</b>					
<b>C. OPERATING COSTS</b>					
Travel					
Facility Lease/Rent					
Maintenance/Repair					
Communications					
Utilities					
Insurance					
Supplies/Expendable Equipment					
Non-Expendable Equipment (per Exhibit AA)					
Household Supplies					
Food Costs					
Linen Services					
<b>TOTAL OPERATING COSTS (C)</b>					
<b>SUBTOTAL ANNUAL DIRECT EXPENSES (A+C)</b>					
<b>D. TOTAL INDIRECT COSTS ( ____ % of Subtotal Annual Direct Expenses)</b>					
<b>E. PROFIT FEE ( ____ % of Subtotal Annual Direct Expenses)</b>					
<b>F. OPERATING RESERVE/CONTINGENCY FUND ( ____ % of Subtotal Annual Direct Expenses)</b>					
<b>TOTAL BUDGET FOR FISCAL YEAR _____ (A+B+C+D+E+F)</b>					

(Rev. January 2010)

Contractors Name: \_\_\_\_\_

Exhibit AA

Contract Number \_\_\_\_\_

### NON-EXPENDABLE EQUIPMENT

List all types of non-expendable equipment used with this project. Budgeted costs for non-expendable equipment reflect payment made per month during the term of the contract. Attach additional sheets if necessary.

EQUIPMENT ITEM and SERIAL NUMBER	RENT COST or LEASE COST  Indicate monthly cost.	DEPRECIATION If not using the straight line method, you will be required to submit support justification indicating the method of depreciation.
	<b>Rent Cost:</b> \$ _____ per month <b>Lease Cost:</b> \$ _____ per month	<b>Acquisition Cost:</b> \$ _____ <b>Useful Life:</b> ___ years <b>Depreciation Cost:</b> \$ _____ per month
	<b>Rent Cost:</b> \$ _____ per month <b>Lease Cost:</b> \$ _____ per month	<b>Acquisition Cost:</b> \$ _____ <b>Useful Life:</b> ___ years <b>Depreciation Cost:</b> \$ _____ per month
	<b>Rent Cost:</b> \$ _____ per month <b>Lease Cost:</b> \$ _____ per month	<b>Acquisition Cost:</b> \$ _____ <b>Useful Life:</b> ___ years <b>Depreciation Cost:</b> \$ _____ per month
	<b>Rent Cost:</b> \$ _____ per month <b>Lease Cost:</b> \$ _____ per month	<b>Acquisition Cost:</b> \$ _____ <b>Useful Life:</b> ___ years <b>Depreciation Cost:</b> \$ _____ per month
	<b>Rent Cost:</b> \$ _____ per month <b>Lease Cost:</b> \$ _____ per month	<b>Acquisition Cost:</b> \$ _____ <b>Useful Life:</b> ___ years <b>Depreciation Cost:</b> \$ _____ per month

## BUDGET TRANSFER REQUEST

### (Cost Reimbursement Budgets)

-PLEASE PRINT LEGIBLY-

DATE SUBMITTED (from Contractor):

SUBMITTED TO: <b>California Department of Corrections and Rehabilitation</b>		FROM (Contractor's Official Name as Written on Contract):	
CDCR DIVISION OR PROGRAM (Managing Contract):		PREPARED BY:	TELEPHONE NUMBER:
MAILING ADDRESS:		MAILING ADDRESS	
CITY, STATE, & ZIP CODE:		CITY, STATE, & ZIP CODE:	
ATTENTION (Program / Program Manager):	PHONE NUMBER:	CONTRACT # / AMENDMENT #	FISCAL YEAR(S):

#### TYPE OF BUDGET TRANSFER REQUEST (BTR)

*Note: All BTRs require PRIOR approval from CDCR's Deputy Director or equivalent for the Program.*

CHECK ALL THAT APPLY:

- Adjust budget costs across established budget categories greater than 15% of original category total (excluding Personnel category). Note that transfers to/from Indirect Costs, Profit Fees, and/or Operating Reserve/Contingency Fund to/from other line items are not allowed.
- Add new line item(s) in any one budget category.
- Increase benefits for any of the following (and provide documentation):
  - 1. Increase in employee health care or workers' compensation costs.
  - 2. Increase in social security or unemployment insurance costs.
  - 3. Increase in employee payroll taxes.
- Add new budgeted positions (these do not have a significant impact on contracted services or contract deliverables, nor do they require duties and/or qualifications to be identified in the scope of this project).
- Increase a budgeted positions' time base (e.g., from 50% to 75%).

#### DEPUTY DIRECTOR or EQUIVALENT OF PROGRAM APPROVAL

<input type="checkbox"/> APPROVED	<input type="checkbox"/> DENIED	DATE:
DEPUTY DIRECTOR NAME:	DEPUTY DIRECTOR SIGNATURE:	PHONE NUMBER:

**Attach a revised line-item budget for each fiscal year affected. All pages must include contract and BTR numbers.**

DISTRIBUTION:    Program    Contractor    OBS Contract Analyst    Accounting (original)



Contractor's Name: \_\_\_\_\_

Quarterly Budget Transfer Request  
(Cost Reimbursement Budget)

Exhibit \_\_\_\_\_

Contract Number \_\_\_\_\_

Contract for \_\_\_\_\_

BTR No. \_\_\_\_\_

Fiscal Year 20\_\_\_\_/20\_\_\_\_

A. PERSONNEL	Number of Positions	Monthly Salary *	% of Project Time *	No. of Months *	Original Total	1 <sup>st</sup> QTR BTR	2 <sup>nd</sup> QTR BTR	3 <sup>rd</sup> QTR BTR	4 <sup>th</sup> QTR BTR	New Total
<b>Total Staff Salaries</b>										
<b>Total Staff Benefits ( _____ % of Total Staff Salaries)</b>										
<b>TOTAL PERSONNEL COSTS (A)</b>										
<b>B. SUB-CONTRACTORS/CONSULTANTS COSTS</b>										
<b>TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)</b>										
<b>C. OPERATING COSTS</b>										
Travel										
Facility Lease/Rent										
Maintenance/Repair										
Communications										
Utilities										
Insurance										
Supplies/Expendable Equipment										
Non-Expendable Equipment (per Exhibit AA)										
Household Supplies										
Food Costs										
Linen Services										
<b>TOTAL OPERATING COSTS (C)</b>										
<b>SUBTOTAL ANNUAL DIRECT EXPENSES (A+C)</b>										
<b>D. TOTAL INDIRECT COSTS ( _____ % of Subtotal Annual Direct Expenses)</b>										
<b>E. PROFIT FEE ( _____ % of Subtotal Annual Direct Expenses)</b>										
<b>F. OPERATING RESERVE/CONTINGENCY FUND ( _____ % of Subtotal Annual Direct Expenses)</b>										
<b>TOTAL BUDGET FOR FISCAL YEAR _____ (A+B+C+D+E+F)</b>										

• These Personnel changes should be noted on BTR narrative

**MONTHLY INVOICE FOR CONTRACT EXPENDITURES  
(COST REIMBURSEMENT BUDGETS)**

INVOICE NUMBER: \_\_\_\_\_

TO: <b>California Department of Corrections and Rehabilitation</b>		PREPARED BY (NAME)	TELEPHONE NUMBER
CDCR DIVISION OR PROGRAM		CONTRACTOR'S OFFICIAL NAME	
MAILING ADDRESS		MAILING ADDRESS	
CITY, STATE, ZIP CODE		CITY, STATE, ZIP CODE	
ATTENTION <b>HEADQUARTERS ACCOUNTING SERVICES SECTION</b>		CONTRACT NUMBER	AMENDMENT NUMBER
In accordance with the above-referenced contract, payment is requested for satisfactory services provided in the MONTH of _____, 20__			AMOUNT DUE \$

A. PERSONNEL COSTS STAFF POSITIONS & BUDGETED MONTHLY SALARIES Employee's NAME, Position TITLE and TIME Base (% or Hours)	PROJECT BUDGET	YEAR TO DATE EXPENDITURES (EXCLUDE CURRENT MONTH)	CURRENT MONTH EXPENDITURES	BALANCE AVAILABLE
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	
<b>TOTAL STAFF SALARIES</b>			\$	\$
<b>STAFF BENEFITS</b> _____ % of Total Staff Salaries as stated in the budget			\$	\$
<b>TOTAL PERSONNEL COSTS =</b>			\$	\$
<b>B. SUB-CONTRACTORS/CONSULTANTS COSTS</b>			\$	\$
<b>C. OPERATING COSTS</b> <i>(attach additional sheets if necessary)</i>				
*Travel			\$	\$
Facility Lease/Rent			\$	\$
Maintenance/Repair			\$	\$
Communications			\$	\$
Utilities			\$	\$
Insurance			\$	\$
Supplies/Expendable Equipment			\$	\$
Non-Expendable Equipment (per Exhibit AA)			\$	\$
Line Item Additions:			\$	\$
_____			\$	\$
_____			\$	\$
<b>TOTAL OPERATING COSTS =</b>			\$	\$
<b>D. INDIRECT COSTS</b> _____% of (A+C)			\$	\$
<b>E. PROFIT FEE</b> _____% of (A+C)			\$	\$
<b>F. OPERATING RESERVE/CONTINGENCY FUND</b> _____% of (A+C)			\$	\$
<b>TOTAL COSTS =</b>			\$	\$

<b>FOR ACCOUNTING OFFICE USE ONLY</b>			
LESS ADVANCE PAYMENT <small>(if applicable, advance payment must be deducted as set forth in the contract)</small>		-	\$
<b>AMOUNT OF PAYMENT DUE</b> (must match "Amount Due" above)			\$
The undersigned certify, by review and verification of the attached documentation, satisfactory service has been provided in accordance with the above-referenced contract.			
SIGNATURE AND PRINTED NAME OF CONTRACTOR'S FISCAL OFFICER			DATE SIGNED
SIGNATURE AND PRINTED NAME OF CDCR PROGRAM MANAGER			TITLE
			DATE SIGNED
* SUPPORTING DOCUMENTATION REQUIRED WITH SUBMITTAL OF MONTHLY INVOICE			
<input type="checkbox"/> CHECK THIS BOX ON THE LAST MONTHLY INVOICE OF THE QUARTER WHEN THERE HAS BEEN NO MOVEMENT OF FUNDS FOR THE QUARTER.			

# MONTHLY INVOICE FOR CONTRACT EXPENDITURES (COST REIMBURSEMENT BUDGETS)

## INSTRUCTIONS

### CONTRACTOR COMPLETES:

**INVOICE NUMBER:** Enter an invoice number *(for tracking purposes)*.

**TO:** Enter the CDCR Division or Program administering the contract. Mail to the address identified in the contract's General Terms and Conditions, Attention: Accounting Department.

**PREPARED BY:** Enter the name and telephone number of the individual responsible for preparing the monthly invoice. Individual identified will serve as the contact person and should be able to answer questions regarding the monthly invoice.

**CONTRACTOR'S OFFICIAL NAME AND MAILING ADDRESS:** Enter the business name and mailing address as stated on the contract documents. If mailing address changes during the course of the contract, Contractor will be responsible for notifying CDCR of the new address.

**CONTRACT NUMBER AND AMENDMENT NUMBER:** Note on each monthly invoice submitted.

**WHEN SERVICES PROVIDED AND AMOUNT DUE:** Identify the month, year and the amount of payment due.

### Project Budget Costs

For the following budgeted costs, do not send supporting documentation with the monthly invoice, but retain files in the Contractor's headquarters office based in California or at the project service location where services are being provided.

**EXCEPTION: Required to submit supporting documentation for "Travel Costs" and "Sub-Contractors/Consultant Costs."**

**PERSONNEL COSTS:** List the name, position title, time base percentage (or hours worked). Each approved position must be listed whether staffed or vacant. To justify the use of salary savings, the Contractor must obtain prior approval through the Budget Transfer Request process. Monthly invoice for salary costs of vacant positions cannot be reimbursed, or claimed for personnel services not rendered during the vacancy period. Attach additional lines as necessary.

**STAFF BENEFITS:** Enter the percentage of Total Staff Salaries as stated in the budget. If a percentage range was established (due to some staff benefit premiums being paid on a quarterly or annual basis), the monthly amount paid can not exceed the established high range.

**SUB-CONTRACTOR/CONSULTANT COSTS:** Enter the associated costs. Submit supporting documentation for all expense reimbursements of associated costs claimed with the monthly invoice and retain a copy at the Contractor's headquarters or at the project service location where services are being provided for audit purposes.

### OPERATING COSTS:

**TRAVEL** - Enter the costs directly related to travel for the project. Travel costs must be supported by travel expense vouchers, purpose of travel, location (to and from destinations), dates, time of travel, rates claimed, mileage and any applicable receipts. Submit supporting documentation for travel costs claimed with the monthly invoices and retain a copy at the Contractor's headquarters or at the project service location where services are being provided for audit purposes.

**FACILITY LEASE/RENT** - Enter the monthly lease/rent costs applicable to the occupied space for the project. If Contractor occupies space(s) which will only be partially used by the CDCR project, the allowable space costs must be based on the percentage of space used for the project. If the facility is owned by the Contractor, the Contractor may be compensated for the use of buildings through depreciation and current interest expense related to the purchase of the facility. The computation of depreciation will be based on total facility acquisition cost, less land cost. Adequate property records must be maintained and a straight line method of computing depreciation must be used, in accordance with Internal Revenue Code. The method of computing depreciation must be consistently applied.

**MAINTENANCE/REPAIR** - Enter the costs that reflect expenses for the upkeep of the facility and/or the repair of non-expendable equipment.

**COMMUNICATIONS** - Enter the costs associated for the operation of the project. Costs include, but are not limited to, telephone service, postage costs and messenger service.

**UTILITIES** - Enter the costs associated for the operation of the project. Costs include, but are not limited to, gas, electricity, water and trash collection.

**INSURANCE** - Enter the costs associated in maintaining insurance coverage for the operation of the project.

**SUPPLIES/EXPENDABLE EQUIPMENT** - Enter the purchase price of office supplies and/or expendable equipment (acquisition cost of less than \$5000 per unit) necessary to meet the project's required services.

**NON-EXPENDABLE EQUIPMENT** - Enter the costs as indicated in the approved budget for the method of charge (rent/lease or depreciation).

**LINE ITEM ADDITIONS** - Enter those costs deemed necessary to provide contracted services as indicated in the approved budget.

**INDIRECT COSTS** - Will be allowed to the extent specified in the approved contract budget. Enter the associated costs and list the indirect cost rate (percentage of costs) which is based on the combinations of Total Personnel Costs and Total Operating Costs.

**PROFIT FEE (For profits only)** - Will be allowed to the extent specified in the approved contract budget. Enter the profit or service fee rate (percentage of costs), which is based on the combinations of Total Personnel Costs and Total Operating Costs. Enter the associated total costs. *Note that non-profits and government agencies are not allowed to claim profit or service fees.*

**OPERATING RESERVE/CONTINGENCY FUND (For non-profits and government agencies)** - May include this line item. The fund/reserve can be up to 5% of the cost of operating the project, exclusive of indirect and subcontractor costs.

**FISCAL OFFICER'S SIGNATURE** - Contractor's fiscal officer must review and certify with their signature that expenditures claimed are in accordance with the provisions identified in the contract budget. Fiscal officer must print and sign their name and date each monthly invoice. **Send the signed original and two (2) copies to accounting.**

**IF NO BUDGET CHANGES OCCURRED DURING THE QUARTER** - If there were no movement of funds during the quarter, including amendments, the Contractor will indicate this on their last monthly invoice for that quarter by checking the box at the bottom of the invoice. If there were movement of funds, leave blank. *(Check only for last monthly invoice of the quarter).*

**CDCR STAFF COMPLETES:** The CDCR Contract Manager or their authorized designee must review Contractor's monthly invoice and certify with their signature that based upon their review and verification of the attached documentation, satisfactory service as been provided in accordance with the provisions of the contract budget. The individual authorizing the payment of the monthly invoices must sign, along with entering their title and date of signature. Forward to accounting the approved invoice and retain support documentation for your project records. The CDCR Accounting Office will pay invoices based on monies available in the overall category and not by line item amount.

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

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

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

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

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

**2. Confidentiality of Data**

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

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

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

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

### **3. Accounting Principles**

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

### **4. Taxes**

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

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

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

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

### **6. Contract Suspension**

Notwithstanding any other provisions of this Agreement, pursuant to a Governor's Executive Order or equivalent directive, such as a court order or an order from a federal or state regulatory agency, mandating the suspension of state contracts, the State may issue a Suspension of Work Notice. The Notice shall identify the specific Executive Order or directive and the Agreement number(s) subject to suspension. Unless specifically stated otherwise, all performance under the Agreement(s) must stop immediately upon receipt of the Notice. During the period of contract suspension, Contractor is not entitled to any payment for the suspended work. Once the order suspending state contracts has been lifted, a formal letter from the Department will be issued to the Contractor to resume work.

### **7. Extension of Term**

If it is determined to be in the best interest of the State, upon agreement, the State may extend this contract, with no increase in service cost, for two (2) optional one (1) year terms.

### **8. Contractor Employee Misconduct**

During the performance of this Agreement, it shall be the responsibility of the Contractor whenever there is an incident of use of force or allegation(s) of employee misconduct associated with and directly impacting inmate and/or parolee rights, to immediately notify the CDCR of the incident(s), to cause an investigation to be conducted, and to provide CDCR with all relevant information pertaining to the incident(s). All relevant information includes, but is not limited to: a) investigative reports; b) access to inmates/parolees and the associated staff; c) access to employee personnel records; d) that information reasonably

necessary to assure CDCR that inmates and/or parolees are not or have not been deprived of any legal rights as required by law, regulation, policy and procedures; and e) written evidence that the Contractor has taken such remedial action, in the event of unnecessary or excessive force, or employee misconduct with inmates and/or parolees, as will assure against a repetition of incident(s) or retaliation. To the extent that the information provided by the Contractor fails to so assure CDCR, CDCR may require that any implicated Contractor staff be denied access to and the supervision of CDCR inmates and/or parolees at the facility and access to inmate and/or parolee records. Notwithstanding the foregoing, and without waiving any obligation of the Contractor, CDCR retains the power to conduct an independent investigation of any incident(s). Furthermore, it is the responsibility of the Contractor to include the foregoing terms within any and all subcontracts, requiring that subcontractor(s) agree to the jurisdiction of CDCR to conduct an investigation of their facility and staff, including review of subcontractor employee personnel records, as a condition of the Agreement.

#### **9. Subcontracting**

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

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

#### **10. Subcontractor/Consultant Information**

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

#### **11. Liability for Nonconforming Work**

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



## **12. Temporary Nonperformance**

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

## **13. Contract Violations**

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

## **14. Employment of Ex-Offenders**

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

- a. Ex-Offenders on active parole or probation, who have been on active parole or probation during the last three years preceding their employment;
  1. Contractor shall only employ ex-offenders who can provide written evidence of having satisfactorily completed parole or probation, and who have remained off parole or probation, and have had no arrests or convictions within the past three years.
- b. Ex-offenders convicted of drug trafficking in a prison/jail; escape or aiding/abetting escape; battery on a Peace Officer or Public Official; arson offenses; or, any violations of Penal Code Sections 4570-4574 (unauthorized Communications with Prisons and Prisoners Offenses).
- c. Ex-Offenders are required to register as a sex offender pursuant to Penal Code Section 290.
- d. Any ex-offender who has an offense history involving a "violent felony" as defined in subparagraph (c) of Penal Code Section 667.5; or
- e. Any ex-offender in a position which provides direct supervision of parolees.

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

## **15. Conflict of Interest**

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

**a. Contractors and Their Employees**

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

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

**b. Current State Employees**

- (1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- (2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.
- (3) In addition to the above, CDCR officials and employees shall also avoid actions resulting in or creating an appearance of:
  - (a) Using an official position for private gain;
  - (b) Giving preferential treatment to any particular person;
  - (c) Losing independence or impartiality;
  - (d) Making a decision outside of official channels; and
  - (e) Affecting adversely the confidence of the public or local officials in the integrity of the program.
- (4) Officers and employees of the Department must not solicit, accept or receive, directly or indirectly, any fee, commission, gratuity or gift from any person or business organization doing or seeking to do business with the State.

**c. Former State Employees**

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



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

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

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

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

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

## **16. Travel**

If the contractor and/or subcontractor are required to travel during the performance of this Agreement, the CDCR agrees to pay travel, per diem and expense costs described at rates not to exceed those approved by the Department of Human Resources for similar staff.

Receipts are required for every item of expense (i.e., airline tickets, lodging, meals, etc.) incurred as a result of conducting State business and must be attached to the invoice. No reimbursement will be paid without a receipt.

The contractor may not claim lunch or incidentals on trips less than 24 hours. When trips are less than 24 hours and with no overnight stay, any meals claimed are taxable.

The contractor may not claim meals provided by the State, meals included in hotel expenses or conference fees, meals included in transportation costs such as airline tickets, or meals that are otherwise provided. Snacks and continental breakfasts such as rolls, juice, and coffee are not considered to be meals.

**REIMBURSEMENT ALLOWANCES:**

**Airfare**

Airfare will be reimbursed at economy/coach rates. Requests for reimbursement at business class and first class rates will be disallowed.

**Meals and Incidentals**

The following reimbursement rates are maximums, not allowances. The contractor may only claim their *actual* expense.

Breakfast: Up to \$7; Lunch: Up to \$11; Dinner: Up to \$23; Incidentals: Up to \$5

On the first day of travel, if the trip begins at or before 6:00 am – Breakfast may be claimed; 11:00 am – Lunch may be claimed; 5:00 pm – Dinner may be claimed

If the trip continues after 24 hours and if the trip ends at or after 8:00 am – Breakfast may be claimed; 2:00 pm – Lunch may be claimed; 7:00 pm – Dinner may be claimed

**Lodging Reimbursements**

The following reimbursement rates are per night maximums of actual expenses, plus tax, and not allowances.

COUNTIES	RATES
San Francisco County and the City of Santa Monica	Up to \$150
Alameda, Monterey, San Diego, Santa Clara, San Mateo	Up to \$125
Los Angeles, Orange, Ventura	Up to \$120
Napa, Riverside, and Sacramento Counties	Up to \$95

If the county is not listed above, the standard rate of \$90 for lodging will apply.

**17. Notification of Personnel Changes**

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

### **18. Security Clearance/Fingerprinting**

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

### **19. Computer Software**

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

### **20. Expendable Equipment**

Expendable equipment is defined as expendable items which change with use and have a unit acquisition cost of less than \$5,000 per unit (i.e. fax machines, computers, printers, etc.). Title to any expendable equipment purchased or built with State funds as part of this agreement will vest in the State. The Contractor must retain a listing of expendable equipment purchases that are considered “theft-sensitive” items, such as cameras, calculators, two-way radios, computer equipment, etc., for audit purposes. Upon completion or termination of the agreement, Contractors are required to leave all expendable equipment for use by subsequent contractors or for the State to dispose of accordingly. The State may authorize the continued use of such equipment for work to be performed under a different agreement.

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

### **21. Electronic Waste Recycling**

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

### **22. Liability for Loss and Damages**

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

### **23. Disclosure**

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

### **24. Workers' Compensation**

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

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

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

### **25. Insurance Requirements**

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

Contractor agrees that any liability insurance required in the performance of this Agreement shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires or is canceled during the term of this Agreement, Contractor shall provide the State within five (5) business days of receipt by contractor a copy of any notice of

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

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

## **26. Tuberculosis (TB) Testing**

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

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

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

## **27. Blood borne Pathogens**

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

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

Individuals who are not employees of the California Department of Corrections and Rehabilitation (CDCR), but who are working in and around inmates who are incarcerated, or wards who are housed within California's institutions/facilities or camps, are to be apprised of the laws, rules and regulations governing conduct in associating with prison inmates or wards. The following is a summation of pertinent information when non-departmental employees come in contact with prison inmates or wards.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

## **29. Clothing Restrictions**

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

## **30. Tobacco-Free Environment**

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

## **31. Prison Rape Elimination Policy**

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

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

### **32. Security Regulations**

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

### **33. Gate Clearance**

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



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

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

## BUSINESS ASSOCIATES AGREEMENT (HIPAA)

### Institutional Transitions Program

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

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

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

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

### ARTICLE 1 DEFINITIONS

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

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

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

## ARTICLE 2 CONFIDENTIALITY

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

brief description of the PHI disclosed, and the purpose of the disclosure. Said documentation shall be made available to Covered Entity upon request.

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

Agreement, as well as compliance with the terms and conditions pursuant to this Agreement and compliance with state and federal laws and regulations. Audit review may be undertaken directly by the Covered Entity or by third parties engaged by the Covered Entity. Business Associate shall cooperate fully with Covered Entity or any such third party in connection with such audits.

2.2 Disclosures Required By Law.

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

2.3 Specific Use and Disclosure Provisions.

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

2.4 Obligations of Covered Entity.

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

2.5 Permissible Requests by Covered Entity.

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

2.6 Policy and Procedure Review.

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

### ARTICLE 3 SECURITY

#### 3.1 Government Healthcare Program Representations.

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

#### 3.2 Security Procedures.

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

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

- (f) implement and maintain, and require its agents and subcontractors to implement and maintain, appropriate and effective administrative, technical and physical safeguards to protect the security, integrity and confidentiality of data electronically exchanged between Business Associate and Covered Entity, including access to data as provided herein. Each Party and its agents and subcontractors shall keep all security measures current and shall document its security measures implemented in written policies, procedures or guidelines, which it will provide to the other Party upon the other Party's request.



**ARTICLE 4**  
**EXCHANGE OF STANDARD TRANSMISSIONS**

4.1 Obligations of the Parties. Each of the Parties agrees that for the PHI,

- (a) it will not change any definition, data condition or use of a data element or segment as proscribed in the HHS Transaction Standard Regulation.
- (b) it will not add any data elements or segments to the maximum denied data set as proscribed in the HHS Transaction Standard Regulation.
- (c) it will not use any code or data elements that are either marked "not used" in the HHS Standard's implementation specifications or are not in the HHS Transaction Standard's implementation specifications.
- (d) it will not change the meaning or intent of any of the HHS Transaction Standard's implementation specifications.

4.2 Incorporation of Modifications to HHS Transaction Standards.

Each of the Parties agrees and understands that from time-to-time, HHS may modify and set compliance dates for the HHS Transaction Standards. Each of the Parties agrees to incorporate by reference into this Agreement any such modifications or changes.

4.3 Code Set Retention.

If applicable, both parties understand and agree to keep open code sets being processed or used in this Agreement for at least the current billing period or any appeal period, which ever is longer.

4.4 Business Associate Obligations.

- (a) Business Associate shall not submit duplicate transmissions unless so requested by Covered Entity.
- (b) Business Associate shall only perform those transactions, which are authorized by Covered Entity. Furthermore, Business Associate assumes all liability for any damage, whether direct or indirect, to the electronic data or to Covered Entity's systems caused by Business Associate's unauthorized use of such transactions.
- (c) Business Associate shall hold Covered Entity harmless from any claim, loss or damage of any kind, whether direct or indirect, whether to person or property, arising out of or related to (1) Business Associate's use or unauthorized disclosure of the electronic data; or (2) Business Associate's submission of data, including but not limited to the submission of incorrect, misleading, incomplete or fraudulent data.

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

#### 4.5 Confidential And Proprietary Information

##### (a) Proprietary Information

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

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

**ARTICLE 5  
MISCELLANEOUS**

**5.1 Indemnification.**

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

**5.2 Term and Termination.**

(a) **Term.** The Term of this Agreement shall be effective as of the first date of commencement of services under this entire agreement, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) **Termination for Cause.** Upon a material breach by Business Associate of its obligation hereunder, Covered Entity may (i) terminate this Agreement and the Service Agreement; (ii) permit Business Associate to cure the breach; (iii) report the violation to the Secretary; and/or (iv) require Business Associate to take such other action as Covered Entity may request, at Business Associate's expense.

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

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

(c) Effect of Termination.

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

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

5.3 Disputes.

HIPAA Appeal Procedures

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

1. Verbal Appeal

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

2. Informal Appeal

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

3. Formal Appeal

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

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

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

5.4 Injunctive Relief.

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

5.5 Regulatory References.

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

5.6 Amendment.

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

5.7 Survival.

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

5.8 Limitation of Damages.

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

5.9 Interpretation.

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

5.10 Third Party Beneficiary

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

5.11 Notices

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

Business Associate:

Bill Clark  
Associate Superintendent  
Contra Costa County Office of Education  
Telephone: (925) 942-5308

Covered Entity:

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



**Monthly Cost Reimbursement Invoice for Contract Expenditures**

To: CDCR, Attention: Office of Offender Services Invoice Unit

In accordance with the above-referenced contract, payment is requested for satisfactory services provided in the MONTH of \_\_\_\_\_, 20\_\_\_\_ Amount Due:

Grantee Name: **CONTRA COSTA COUNTY OFFICE OF EDUCATION**

PLEASE FILL IN YELLOW CELLS ONLY

A. PERSONNEL COSTS						
Lead Agency/Staff Positions	Annual Salary	% FTE on project	Project Budget	Year to Date Expenditures (Exclude Current Month)	Current Month Expenditures	Balance Available
				\$ -		\$ -
				\$ -		\$ -
				\$ -		\$ -
				\$ -		\$ -
				\$ -		\$ -
				\$ -		\$ -
				\$ -		\$ -
				\$ -		\$ -
Subtotal			\$ -	\$ -	\$ -	\$ -
Fringe Benefits & Rate	rate:		\$ -	\$ -	\$ -	\$ -
<b>SUBTOTAL</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
B. SUB-CONTRACTORS/ CONSULTANT COSTS:						
*Name:						\$ -
C. OTHER DIRECT COSTS						
			Project Budget	YTD Expenditures (Exclude Current Month)	Current Month Expenditures	Balance Available
*Travel				\$ -		\$ -
Reproduction				\$ -		\$ -
Maintenance/repair				\$ -		\$ -
Communications (telephone, cell phones)				\$ -		\$ -
Utilities				\$ -		\$ -
Insurance (Car insurance, worker's comp for parolees)				\$ -		\$ -
Supplies/expendable equipment (water, sanitary items,				\$ -		\$ -
<b>SUBTOTAL</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL DIRECT COSTS (A+C only)</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
II. INDIRECT COSTS						
Usually 10% unless County/City has Resolution outlining Indirect Costs or has Federal CAP			\$ -	\$ -	\$ -	\$ -
<b>TOTAL COSTS</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LESS ADVANCE PAYMENT</b>						
<b>AMOUNT OF PAYMENT DUE (must match "Amount Due" above)</b>				<b>\$ -</b>		

The undersigned certify, by review and verification of the attached documentation, satisfactory service has been provided in accordance with the above-reference contract.

SIGNATURE AND PRINTED NAME OF CONTRACTOR'S FISCAL OFFICER		DATE SIGNED
SIGNATURE AND PRINTED NAME OF CDCR PROGRAM MANAGER		DATE SIGNED
TITLE		DATE SIGNED

\* SUPPORTING DOCUMENTATION REQUIRED WITH SUBMITTAL OF MONTHLY INVOICE  
 CHECK THIS BOX ON THE LAST MONTHLY INVOICE OF THE QUARTER WHEN THERE HAS BEEN NO MOVEMENT OF FUNDS FOR THE

# CERTIFICATE OF COMPLETION

Contra Costa County Office of Education  
of            Contra Costa County            and  
CALIFORNIA DEPARTMENT OF CORRECTIONS and REHABILITATION

This certificate is awarded to:

*NAME OF RECIPIENT* \_\_\_\_\_

Has successfully completed the requirements for the

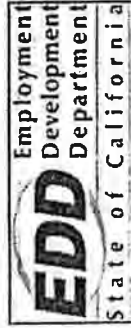
## California Transition Program

One-Stop Career Center Orientation, Transition Planning, Job Search Techniques I & II,  
Job Applications, Resume Writing, Interview Preparation, and Financial Literacy

Completed on the            of           , 2014

Facilitator \_\_\_\_\_

Date \_\_\_\_\_



Institution \_\_\_\_\_  
 Session ID \_\_\_\_\_  
 Session Start Date \_\_\_\_\_  
 Scheduled End Date \_\_\_\_\_  
 Actual End Date \_\_\_\_\_

Name of LWIB \_\_\_\_\_  
 Agreement Number 3500004822  
 Contra Costa County Office of Education  
 Attachment C

Missing Hrs.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Name																									
CDCR No																									
Certification Issued (Y/N)																									
Exit Code	X																								
Day 1	S																								
	E																								
	A																								
Day 2	X																								
	S																								
	E																								
	A																								
Day 3	X																								
	S																								
	E																								
	A																								
Day 4	X																								
	S																								
	E																								
	A																								
Day 5	X																								
	S																								
	E																								
	A																								
Day 6	X																								
	S																								
	E																								
	A																								
Day 7	X																								
	S																								
	E																								
	A																								
Day 8	X																								
	S																								
	E																								
	A																								
Day 9	X																								
	S																								
	E																								
	A																								
Day 10	X																								
	S																								
	E																								
	A																								

Institution \_\_\_\_\_  
 Session ID \_\_\_\_\_  
 Session Start Date \_\_\_\_\_  
 Scheduled End Date \_\_\_\_\_  
 Actual End Date \_\_\_\_\_

Name of LWIB \_\_\_\_\_  
 Agreement Number 5690004822  
 Contra Costa County Office of Education  
 Attachment C

Missing Mrs.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Name																									
DCOR No																									
Certification Issued (Y/N)																									
Exrt Code	X																								
Day 11	S																								
	E																								
	A																								
Day 12	X																								
	S																								
	E																								
	A																								
Day 13	X																								
	S																								
	E																								
	A																								
Day 14	X																								
	S																								
	E																								
	A																								
Day 15	X																								
	S																								
	E																								
	A																								
Day 16	X																								
	S																								
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	A																								
Day 17	X																								
	S																								
	E																								
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Day 18	X																								
	S																								
	E																								
	A																								
Day 19	X																								
	S																								
	E																								
	A																								
Day 20	X																								
	S																								
	E																								
	A																								

**Key Performance Indicators (KPI) Reported After Each Session**

Number of Participants Initially Enrolled in the Class Session	
Number of Participants Completing the Class Session	
Referrals to One-Stop Career Centers	
Referrals to Other Social Service Agencies	

### Closure Report

Date	Reason for Session Closure



### **Transitions Program Utilization Data Collection Procedures (Interim)**

The Data Collection Instrument (DCI) for the Transitions Program captures the time that each individual participant spends in and out of class and the reason for their exit from program. This is a simple spreadsheet without much functionality. It is intended to be an interim method of collecting program data. Another data collection system, more robust and intended for use by all in-prison rehabilitative programs, is already in development and may be ready as early as January 2013.

#### **Layout of the DCI Spreadsheets**

(Tab 1 – Class Data) - On the first tab there are fields at the top of the sheet that identify the session. There are a few frozen lines and columns that make it easier to keep track of which line and/or column data is entered. Anything below the "Exit Code" line will disappear when scrolling down. Anything to the right of the XSEA column will disappear when scrolling right.

There is formatted space for 25 participants and 20 class days. If there are more than 25 participants, please feel free to fill in as many more columns as necessary to the right of the already formatted columns and fill in their information in the same manner as the others. Please do likewise for the class days if there should happen to be more than 20 class meetings in a session.

(Tab 2 – Closure Report) - The second tab has two fields to record dates and reasons why a class is not in session.

(Tab 3- Key Performance Indicators (KPI's) Fill in required information.

#### **Data Element Definitions**

##### **Name and CDCR No.**

The main part of the DCI is laid out in a grid with the names and CDCR Numbers of participants running across the top and the session days running down the left side.

##### **Utilization of Exit Codes**

When an individual leaves the program, either early or after a full completion, enter the correct exit code (definitions listed above) in the exit code line. When a value other than blank or "0" (zero) is entered, the column will turn orange. This is to cue someone inputting class hours that the participant has already left the program and no class hours should be entered for that day for that individual.

##### **Codes**

- X Time - Actual time (in 1/4 hour increments) participants spend in program meetings.
- S Time- Actual time (in 1/4 hour increments) participants are absent from program meetings for a program/institution initiated reason (example: lockdown).
- E Time -Actual time (in 1/4 hour increments) participants are absent from program meetings for excused reasons (example: medical).

A Time - Actual time (in 1/4 hour increments) participants are absent without leave from program meetings.

### Using the DCI

#### Save a Copy

Upon opening a blank original copy of the DCI, save a copy of the document. Name the new document using a combination of the institution and the session ID.

#### Session Information

In the top section of the DCI, fill in the institution, session ID, session start date, scheduled end date, and actual end date starting in column E. Please be sure to make each session ID unique.

#### Participant Data

The lines just below the session information are intended to specifically identify the class participants. Type in the last name and CDCR number of each participant in the spaces provided.

#### Identify Exit Codes

1. Full completion - Participant was discharged following completion of all treatment phases and/or modules as identified in their individual treatment plan and/or program design.
2. Partial completion: Paroled (in-custody programs only) - Inmate was paroled from an in-custody substance abuse treatment program prior to completion of all treatment phases and/or modules as identified in their individual treatment plan and/or program design. (No longer a valid code.)
3. Disciplinary: substance use or possession - Participant was discharged from a substance abuse treatment program as a result of the use or possession of alcohol or illegal substances.
4. Disciplinary: other (non-substance use or possession) - Participant was discharged from a substance abuse treatment program for disciplinary reasons other than substance use or possession.
5. Voluntary quit - Participant chose to discontinue participation in a substance abuse treatment program.
6. CDCR - initiated removal - Participant was discharged from a substance abuse treatment program at the direction of an institutional or parole representative of the California Department of Corrections and Rehabilitation.
7. Unable to continue participation (medical or psych conditions) - Participant was discharged from a substance abuse treatment program due to a medical or psychological condition which prevented their continued participation in treatment.
8. Transferred to another program or modality - Participant was discharged to facilitate transfer to another substance abuse treatment program or treatment modality (do not use to indicate movement of offender from inmate to parolee status. Treatment discharges resulting from a change in offender's status from inmate to parolee must be coded as 1 or 2).



9. Escape - Inmate was discharged from a substance abuse treatment program due to an escape or walk away from a correctional facility.
10. Death.

### **Calculate X, S, E, and A Time**

If class days are a total of four hours and a participant is in class for the entire session, "4" should be input in the Day 1 X line. If the participant has a medical appointment that requires that they leave class one hour and fifteen minutes early on the sixth class meeting, "3.75" should be input on the Day 6 X line and "1.25" should be input on the Day 6 E line:

### **Closure Report on Tab 2**

This is a list of the work days that a session did not meet. Please do not list weekends or holidays. In the first column, list the date the program was closed. In the second column, list the reason that the program was closed (i.e. lockdown, training, etc.).

# CONTRA COSTA COUNTY BOARD OF EDUCATION

## AGENDA ITEM

### ISSUE

**Board Member Pamela Mirabella will present the West Contra Costa Unified School District Board of Education "State of Our Schools Award" to Joseph A. Ovick, Ed.D., County Superintendent of Schools**

### ANALYSIS

Present award.

### RECOMMENDATION

Information

Item No. 7.7.2  
Page 1  
Bd. Agenda: 10/15/14

**County Board of Education  
Ronald L. Stewart Center  
77 Santa Barbara Road, Pleasant Hill, California  
October 1, 2014**

- ROLL CALL:** Pamela Mirabella, Area 1 Trustee; Christine Deane, Area 2 Trustee; Daniel Gomes, Area 3 Trustee; Richard Asadoorian, Area 4 Trustee; and Cynthia Ruehlig, Area 5 Trustee.
- Absent:**
- Others:** Joseph Ovick, Pamela Comfort, Katie Gaines, Bill Clark, Mac Carey, Loreen Joseph and County Office staff.
- Presiding:** The regular meeting of the Contra Costa County Board of Education was called to order by Vice President Gomes at 5:00 p.m. with the recitation of the Pledge of Allegiance.
- AGENDA REVIEW AND ADOPTION** Ms. Mirabella moved, Mr. Asadoorian seconded, and the Board voted 5-0-0 to approve the agenda as presented.
- Ayes: Mirabella, Asadoorian, Gomes, Ruehlig, Deane  
Noes: None  
Absent: None  
Abstain: None
- PUBLIC COMMENT** Freddie Davis, Jr. shared complaints he has with the Liberty Union School District football coaches and his son's teacher.
- RECOGNITIONS**
- Consider granting of a Contra Costa High School Diploma to high school student DVHS 1-10-14** Ms. Mirabella moved, Mr. Asadoorian seconded and the Board voted 5-0-0 to approve granting of a Contra Costa High School Diploma to high student DVHS 1-10-14.
- Ayes: Mirabella, Asadoorian, Gomes, Ruehlig, Deane  
Noes: None  
Absent: None  
Abstain: None
- CLOSED SESSION - none**
- ADMINISTRATIVE ITEMS**
- SUPERINTENDENT'S REPORT** Joseph Ovick, Ed.D., County Superintendent of Schools, reported that he attended the Labor to Labor dinner at the Craneway Pavilion in Richmond on September 26. At the dinner, Congressman George Miller was honored for his forty years of service. Dr. Ovick also attended the State of the Community College breakfast in Brentwood.
- BUSINESS SERVICES**
- Charter School Oversight** Bill Clark, Associate Superintendent, Business Services, said this item was placed on the agenda at the request of the Board. In it he summarizes the key points within the two articles that were identified by Ms. Mirabella and also includes Education Code that addresses some of the comments made in those articles.
- Ms. Mirabella shared documents with the Board. She believes it would be a good idea to share best practices between county offices and districts. She finds it interesting that California does not require a parent to be on charter governing boards. She would like to look into how governance is working with charters. She would also like to look at oversight, facilities as it pertains to Proposition 39, the unfunded mandate for the district and county office, and potential legislation.

Mr. Asadoorian commented that he and Ms. Deane were at a meeting where he was questioned why the Board doesn't have more oversight over charter schools. He responded that it's not the Board's responsibility, but that there is oversight from COE staff.

Mr. Gomes said that charter schools usually arise in areas where students aren't doing well. Regarding charter renewals he thinks the Board should look at how well the charter has done correcting the situation. He believes criteria should be developed that can give a degree of measurement. Ms. Ruehlig said she believes there is criteria in Board policy and Education Code for continued increase in student performance. Mr. Clark explained that the LCAP now requires a three-year multi-year plan. There are goals, actions, and services that need to be identified and measurable progress that needs to be accounted for each fiscal year. In addition, the state is developing a new testing rubric, but it will not be available until the spring of 2016. In some ways, the state has taken action to provide more clarity about what the expectations need to be for charters and public schools. Mr. Gomes suggested defining specific requirements that must be met for charters to be renewed. Ms. Ruehlig said that if specific numbers are defined it can make the Board rigid. There are several factors to consider the success of a school and that is why there are eight priorities given by the Local Control Accountability Plan (LCAP).

Dr. Comfort shared that API scores are frozen until the new accountability system is built. The rubric that is being developed is to evaluate an LCAP. The state is changing what goes into the API so that it's more than just standardized testing. Moving forward there will be more clarity in terms of being able to evaluate whether schools are improving or not. Mr. Gomes said he likes the idea of encouraging charters that are not doing well to take some type of affirmative action to improve. He would like to lock in some kind of metric or specific criteria so that if a renewal were to be denied, specific reasons could be given so as not to become arbitrary and capricious.

Ms. Deane said she is reticent to lump a whole school together and look at the performance of the group. Especially in charter schools where there is a lottery system. She is against looking at the general percent of improvement in a school, but going forward believes the LCAP will take care of that because it addresses individual students.

Ms. Mirabella asked if there are deadlines for the COE to expect charters to submit required forms. Dr. Ovick explained there is a series of events that charter schools have to follow based on reporting to the state. Often they must be co-signed by the COE to verify that the information, to the best of the COE's ability and knowledge, are accurate reports. There are financial reports that have to be submitted as well.

Ms. Mirabella said districts and charter schools should work together to ensure that facility arrangements do not disadvantage students in either sector. Bill Clark shared that the Education Code provides that charter school petitioners need to provide evidence that they have secured a facility as part of the petition process. No petition would be approved if a facility has not been identified. The facility is visited as part of the review process. If the facility is found insufficient it is noted in the review because the COE wants to make sure it is the right academic environment. Proposition 39 provides that the district provide a facility in the event there is space available for a charter. If not, the petitioner must use its resources to identify a suitable location. They have to pass that criteria as part of the review process.

Mr. Asadoorian asked if districts must include in bond acts that charters will be included in the money for the bond. Mr. Clark said he doesn't believe districts are required to include charters.

Mr. Clark shared that COE was approached by Clayton Valley Charter High School this week regarding their renewal. Their renewal is due in February. COE has their preliminary documents and the final documents will be available next week. Mr. Gomes asked if the Mt. Diablo Unified School District should be notified that the CVCHS is coming up for renewal. Dr. Ovick said the plan is to notify the district once the dates are set. Mr. Clark said the public is welcome and invited to come to the Board meeting to present their point of view.

Ms. Deane said she has a concern when a charter wants to change the renewal timeline because it accelerates writing their renewal, presenting it, and asking their stakeholders to agree on changes that may have been insinuated into the plan. Mr. Clark said it's not unusual to receive a renewal at this time. The process at the charter level is that the renewal needs to go before the charter board. They have their public process for considering any changes. His understanding is that they've held several board meetings to discuss any proposed changes and there has been active participation and discussion.

#### Public Comment

Jennifer Krnich, Clayton Valley Charter High School teacher and former board member said there is a meeting tonight for stakeholders to go over some of the red line edits in the charter renewal. She shared concerns about conflict of interest on the charter board and questioned the role of teachers who signed the countywide performing arts charter intention signature page.

Ms. Mirabella shared the California Charter Oversight article which contained suggestions about oversight and recommendations to increase transparency. She asked if there was a way to account for how many hours it takes to review charter petitions and provide oversight. Mr. Clark stated that charters are required to report on the state reporting cycle. They are required to adopt a budget, submit a first and second interim report, and an unaudited actual. The COE receives those documents and prepares time accounting for that work and effort. Also, the COE receives one percent income from the charters which helps to offset the cost. Annual visits to the charter are being scheduled. Mr. Clark explained that COE receives ADA funding for every student in the county, including charter schools, under the LCFF. The COE reports to the state findings as far as review of the district reports.

Ms. Mirabella asked if there is a way to tell when too many charters become a diseconomy of scales and an inequity to the students not in charters. She is concerned there are inequities because of foundations putting substantial amounts of money into some charters. She asked Dr. Ovick to bring the topic to the superintendent's council and get feedback from them. She would like to ensure that the policy includes training regarding mandated reporting. She would like to learn more about Proposition 39 and why charters believe districts should build charter schools with bond measures. Ms. Ruehlig said the general intent of Proposition 39 is to make sure all students have reasonable facilities.

#### **Staff Report**

Bill Clark, Associate Superintendent, Business Services, reported that the Countywide Performing Arts charter petitioners have agreed to extend the timeline for the decision meeting to January 14, 2015. Mr. Clark also shared a calendar with the Board with the tentative dates for the Clayton Valley Charter High School (CVCHS) petition renewal hearing and decision meeting and the Countywide Performing Arts Charter petition hearing and decision meeting. The Countywide Performing Arts charter petition was given to Board members. The CVCHS renewal petition will be emailed to the Board prior to the October 15 meeting. Board consensus was to follow the calendar as presented. Therefore, the CVCHS hearing will be held October 15. It will be brought back to the November 5 board meeting for approval/denial. The Countywide Performing Arts charter hearing will be scheduled for December 10. It will be brought back to the January 14, 2015 board meeting for approval/denial.

Ms. Ruehlig expressed that she prefers the process of being able to ask questions at charter hearings. Mr. Clark said the Board has authority to ask questions at the first hearing of the countywide charter.

Per a request from Ms. Mirabella, Mr. Clark reviewed with County Counsel why some counties don't have to pay their elections cost. The reason being there is a state statute that counties have to share election costs with participating agencies. The only exception would be a chartered county, in which case they can make their own rules.

Mr. Clark said he will follow up on the question asked by Ms. Ruehlig regarding the Summit application process which asks about the need for special education services.

## **EDUCATIONAL SERVICES**

### **Staff Report**

Pamela Comfort, Associate Superintendent, Educational Services, reported that she recently visited John Swett Elementary School. The site's principal has a practice of using social media in order to engage the parent community. She has invited him to the COE to do an evening presentation for others in the county that may be interested in hearing more on how to use social media to engage parents. Dr. Comfort also attended the East Bay Leadership Council's Women's Leadership luncheon with Terry Koehne, Chief Communications Officer. She shared that the first Local Control Accountability Plan (LCAP) collaborative workshop for 2014-15 was held on Monday, September 28. Sixteen of the eighteen districts, as well as charter school representatives, attended.

## **HUMAN RESOURCES**

### **Staff Report**

Katie Gaines, Assistant Superintendent, Human Resources, reported that the Human Resources Department recently hosted two substitute fairs. The first took place in the far east county and the second was held at the County Office of Education. Both fairs had a good turn out.

## **COMMUNICATIONS**

### **Staff Report**

Terry Koehne, Chief Communications Officer, said he is happy to be part of COE and is getting to know the talented staff in his department.

## **TECHNOLOGY SYSTEMS**

### **Staff Report**

Mac Carey, Chief Technology Officer, confirmed with the Board that January 21, 2015 has been scheduled for the Board Docs training. Board Docs is an online agenda program.

## **BOARD**

### **Legislative Update**

Dr. Ovick shared that Terry Koehne and Bill Clark were interviewed by the San Jose Mercury News regarding the COE's position on the governor's proposed rainy day fund. Ms. Deane said she was told by Superintendent Nellie Meyer of the Mt. Diablo Unified School District that she along with a group of superintendents have written a letter to Sacramento asking that adult education be lifted from the LCAP funding and be kept as separate funding.

### **Recognition of Graduates**

Ms. Deane said she feels it would be nice to send a note to graduates that do not attend a Board meeting to receive their diploma. By consensus the Board agreed to include a note with the diplomas.

## **PUBLIC COMMENT**

Jennifer Krnich, CVCHS teacher, said she is curious about the Countywide Performing Arts Charter petition. She is interested in seeing the impact to her student population as well as the county's.

Ms. Mirabella asked if there is a policy that NSBA has on governance of the makeup of a board. Mr. Clark said he has not searched for one, but expects he can find some examples. Dr. Ovick suggested looking at the California Charter Association as well.

**CONSENT AGENDA**

**Consider approval of minutes of  
September 17, 2014**

Mr. Mirabella moved, Ms. Ruehlig seconded, and the Board voted 5-0-0 to approve the Consent Agenda as presented.

**Consider granting of a High School  
Diploma to adult school student  
CCAS 1-10/1/14**

Ayes: Mirabella, Gomes, Asadoorian, Deane, Ruehlig  
Noes: None  
Absent: None  
Abstain: None

**Consider granting of a High School  
Diploma to adult school student  
CCAS 2-10/1/14**

**Consider granting of a High School  
Diploma to adult school student  
CCAS 3-10/1/14**

**Consider granting of a High School  
Diploma to high school student  
MM 1-10/1/14**

**CORRESPONDENCE/EVENTS  
CALENDAR**

Correspondence: None

Calendar of Events:

**December 14 – 16, CSBA Annual Conference, Moscone Center, San Francisco**

**December 16, Qtly Awards Ceremony, WCDF, 11:00 a.m. – 12:00 p.m.**

**December 17, Qtly Awards Ceremony, MCDF, 10:30 – 11:30 a.m.**

**BOARD REPORTS OF ACTIVITIES**

Mr. Asadoorian asked if a county credit card could be reinstated so that board members don't have to pay out of pocket and wait for reimbursement of hotel charges. Mr. Clark will research the issue and bring the information back to the Board. Mr. Asadoorian was recently interviewed by the League of Women Voters, a Democratic Committee, California Teachers Association, and the Antioch Chamber of Commerce.

Ms. Ruehlig participated in an interview with CCTV. She announced that Synergy Charter School may move to a new location.

On September 19, Ms. Mirabella along with Ms. Deane visited John Swett High School. On September 24, she along with Mr. Asadoorian visited the Oakland School of Arts. On October 1 she attended the Contra Costa College forum meeting.

Ms. Deane along with Ms. Mirabella, visited Superintendent Harter at the West Contra Costa Unified School District. She visited a Pinole Parks and Recreation after school program. She also visited the New Horizons program in the Mt. Diablo Unified School District (MDUSD). She met with the Board President of the Acalanes School District. She also met with Superintendent Meyer at MDUSD. Recently she met with two stakeholders from Hercules and Pinole. She participated in interviews with the Bay Area New Group.

Meeting adjourned at 7:01 p.m.

Joseph A. Ovick, Ed.D., Ex Officio Secretary  
County Board of Education

Copies of all resolutions adopted by the Board are on file in the Office of the Superintendent, Ex Officio Secretary of the Board of Education.

These unadopted minutes are summaries and excerpts from the regular meeting of October 1, 2014, and are subject to amendments and/or correction prior to the approval of the County Board of Education.

For further information, contact Loreen Joseph, (925) 942-3380, [ljoseph@cccoe.k12.ca.us](mailto:ljoseph@cccoe.k12.ca.us).

**CONTRA COSTA COUNTY BOARD OF EDUCATION**  
**AGENDA ITEM**

**ISSUE** *(Clear, concise statement for the Board meeting agenda which indicates exactly what will be discussed.)*

Consider acceptance of public gifts.

**ANALYSIS** *(Overviews of the issue—Attach all background information Board members will need to consider or vote on this issue. As appropriate, refer to the “who, what, when, and how” elements of the item.)*

The following have been donated to the Contra Costa County Office of Education:

- 1) Donation of \$120.00 from Ms. Lynda D. Williams for East County Liberty Transition Program.

**RECOMMENDATION** *(Advise approval or adoption, or note that the item is for information only.)*  
Approval.

Approved

*Pamela Comport*  
Associate Superintendent

Item No. 9.2

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Date

10/8/14

Board Agenda October 15, 2014  
(Date)



**CONTRA COSTA COUNTY BOARD OF EDUCATION**  
**AGENDA ITEM**

**ISSUE**

Consider acceptance of a \$50,000 grant from the city of San Pablo to prepare 35 middle and secondary school students to graduate from high school, be career ready and in college

**ANALYSIS** *(Overviews of the issue—Attach all background information Board members will need to consider or vote on this issue. As appropriate, refer to the “who, what, when, and how” elements of the item.)*

The city of San Pablo grant provides funds for Youth Development Services (YDS) staff to:

- Enroll 35 low-income, high risk youth with attendance, academic or behavioral barriers to completing high school
- Engage parents, school administrators, teachers, employers and community-based organizations in a collaborative effort to support high-school completion and prepare youth to be career ready and in college
- Engage employers in providing a range of career development and work-based learning opportunities for youth to learn about, explore, and prepare for careers.

**RECOMMENDATION** *(Advise approval or adoption, or note that the item is for information only.)*

Accept grant award from the city of San Pablo.

Approved   
Deputy / Associate / Assistant Superintendent

Item No. 9.3

Page 1 of 3

Date 10/8/14

Board Agenda 10-15-2014  
(Date)

## Need for and Overview of the Safe and Healthy Futures Program

San Pablo is ranked as the city with the sixth highest crime rate in California. Nationally, 1 in 3 Black and 1 in 6 Latino boys born in 2001 are at risk of imprisonment during their lifetime. While California leads the country with more incarcerated youth than any other state, San Pablo, with a population of 29,139 leads the county with the highest percentage of incarcerated juveniles, when compared to total city population. Last year 92 San Pablo youth were detained in Juvenile Hall or at the Orin Allen Youth Rehabilitation Facility (OAYRF).

**City of San Pablo Race/Ethnicities and Juvenile Incarceration Rates 7/1/2011 – 6/30/2012**

	% of total Population	% of SP youth incarcerated	# of youth incarcerated
Black	15%	31.5%	29
Hispanic	56%	50%	46
White	10%	10.9%	10
Asian/Other	19%	7.6%	7

While boys are five times as likely to be incarcerated as girls, there are also a significant number of girls in the juvenile justice system. Twelve percent of incarcerated youth from San Pablo are girls. This rate of incarceration is endangering children at younger and younger ages. The Office of Civil Rights reports over 70% of students involved in school-related arrests or referred to law enforcement are Hispanic or African American. The recent tragedy in Sandy Hook has sparked a national debate about gun violence. The truth is that the typical young person killed by a gun in America is neither white nor in grade school, but an African-American teenager. This data shines a spotlight on whether schools are providing the opportunity for all students to be prepared to compete in the 21st Century global economy.

Truancy is often the first public manifestation of real problems in a young person's life and the first encounter with the so-called school-to-prison pipeline. West Contra Costa Unified School District (WCCUSD) and particularly Richmond HS report high incidences of unexcused absences. The most powerful predictors of whether a student will complete high school include course performance and attendance during the first year of high school.

Behavior problems, disability status and ethnicity are all factors that place youth at risk of dropping out of high school and becoming gang involved. These behaviors often result in more restrictive educational placements such as alternative or community schools which may continue a pattern of disconnection from school, or lead to gang involvement and ultimately incarceration. San Pablo, a relatively small city, has a police unit devoted to gang activity. The Sureno, Norteno, Asian and white gangs are all active in San Pablo.

Education plays a key role in determining a student's life chances and opportunities in terms of social and economic mobility. For children from low-income households, lower levels of educational attainment result in an ongoing cycle of deprivation. In San Pablo more than thirty-five percent of the adult population has not graduated from high school or earned a GED. At Richmond HS more students fail ninth grade than any other grade. They may have already missed the opportunity to get on a graduation track. The drop-out rate for 2010 – 2011 at Richmond High School, where most San Pablo students will attend, is 23%. The average drop-out rate in California was 14.4%. San Pablo also has the highest teen birth rate, almost four times that of the county as a whole. Teen parenthood is a leading cause of school dropout among teen girls. According to the Center for Disease Control and Prevention, only 50% of teen mothers receive a high school diploma by 22 years of age. The children of teenage mothers have more health problems, are more likely to be incarcerated and are more likely to become teen parents themselves.

Employment is a key driver of economic and social well-being and presents one of the key routes of social mobility and inclusion. The unemployment rate in San Pablo recorded for December 2012 was

16.5%; the youth unemployment rate in Contra Costa in 2011 was 30%. Low-income youth, and minority males have the highest rates of unemployment.

Youth Development Services will partner with schools, businesses, law enforcement and the community to provide a continuum of high-quality alternatives that will effectively close the achievement gap, increase high school graduation rates and reduce gang involvement and recidivism.

The CCCOE/YDS Safe and Healthy Futures program will outreach to 140 youth, ages 14-16. The 35 most at-risk youth will be identified for participation in the program and will be redirected from high risk behaviors to more productive and useful behaviors. It is expected that participation in the program will increase youths' school attendance, academic aspirations and will reduce the likelihood that the student will drop out. Youth will learn problem solving and decision-making strategies that will better equip them to succeed, and will be exposed to teamwork concepts in a workplace setting. They will develop a career plan through career assessments and a better understanding of the critical relationship between education and career success. Youth will be supported as they begin their high school career and will be provided strategies to successfully obtain their high school diploma and transition to college and/or employment. Of the 35 youth enrolled, 25 youth will participate in internships, with the goal of linking the internship to the youths' career interests. Upon completion of the program youth will be on the path towards social and economic self-sufficiency.

Additional outreach to middle school youth will occur during three classroom presentations at Helms Middle School. Middle school youth will be introduced to some of the programs available once they enter high school. It is expected that early introduction to the high school programs will increase the likelihood of youth participation once they start high school, deterring them from gang involvement.

Parents and guardians also benefit from the program, through participation in workshops facilitated by a bilingual YDS Specialist and by being involved in their children's education and career planning. Parents will learn that college is a viable option for their children regardless of their income. Through meetings and workshops parents will become involved in the process of college applications and the ways to support their children during this critical educational milestone. Program involvement will foster direct parental engagement with their children's schools. Parents will gain self-confidence and become empowered to dialogue with school officials about their children. Through workshop participation, parents may also experience a decrease in the feeling of isolation experienced when dealing with issues facing their children.

For parents of low socioeconomic status, particularly those who are immigrants or non-English speakers, involvement in education and career planning is particularly challenging. However, studies show that an ethnic and linguistically similar education advocate can bridge cultural differences. The bilingual YDS Specialist will engage parents and create a welcoming environment for parents to ask questions about the educational system, creating a level of comfort that will enable them to support the education of their children.

Parents and youth will gain access to useful services that previously were unknown to them. Through subsidized and unsubsidized work experience, youth and families will also benefit financially. Families will develop improved relationships as parents become more involved in their school and career planning. Parents will gain the ability to better understand their children in light of learning about the issues that interest and affect youth getting ready to graduate or enter the workforce. They will be better connected because their children, seeing them engaged in these activities, also feel that their parents truly care about them and their success which reduces the risk of them participating in behaviors that would negatively impact their future success opportunities.