

File No. 140978

Committee Item No. 6  
Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 28, 2015

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date January 23, 2015

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Agreement Amendments - Crestwood Behavioral Health Services and Mental Health  
2 Management, Inc. dba Canyon Manor - \$117,451,707]

3 **Resolution approving amendments to each of two agreements for long term**  
4 **mental health services in 24-hour locked facilities between the Department of**  
5 **Public Health and Crestwood Behavioral Health Services, by \$34,488,709 from**  
6 **\$51,728,151 to \$86,216,860; Mental Health Management I, Inc. dba Canyon Manor,**  
7 **by \$4,704,300 from \$26,530,547 to \$31,234,847 for a combined increase of**  
8 **\$117,451,707 with an extension of the term for three years and eight months, for a**  
9 **total contract term of October 1, 2008, through June 30, 2018.**

10  
11 WHEREAS, The Department of Public Health, in order to provide long term  
12 mental health services in a 24-hour locked facility to the residents of San Francisco,  
13 conducted a Request for Proposals on January 29, 2008 (RFP 1-2008), which provided  
14 for an initial contract term of four years and nine months with options to renew the  
15 contract to a maximum term of ten years; and

16 WHEREAS, The Department of Public Health awarded contracts under this  
17 Request for Proposals to Crestwood Behavioral Health Services and Mental Health  
18 Management I, Inc. dba Canyon Manor; and

19 WHEREAS, The Board of Supervisors previously approved the original contracts  
20 with these providers through adoption of Resolution 460-08, each for the term of  
21 October 1, 2008, through June 30, 2013; and

22 WHEREAS, The Department requests approval of these second amendments to  
23 these contracts to increase the total contract amounts by \$34,488,709 for Crestwood  
24 Behavioral Health Services and by \$4,704,300 for Mental Health Management I,  
25

1 Inc. dba Canyon Manor, in order to enable the continued provision of these services  
2 through June 30, 2018, for a total term of nine years and three months; and

3 WHEREAS, A copy of these amendments are on file with the Clerk of the Board  
4 of Supervisors in File No. 140978, which is hereby declared to be a part of this resolution  
5 as if set forth fully herein; now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
7 Public Health and the Director of the Office of Contract Administration/Purchaser, on  
8 behalf of the City and County of San Francisco, to amend these contracts to increase  
9 the total contract total amounts by (1) \$34,488,709 for Crestwood Behavioral Health  
10 Services, from \$51,728,151 to \$86,216,860, and (2) \$4,704,300 for Mental Health  
11 Management I, Inc. dba Canyon Manor, from \$26,530,547 to 31,234,847, and to extend  
12 the contact term by three years and eight months, for a total term for each contract of  
13 October 1, 2008, through June 30, 2018; and, be it

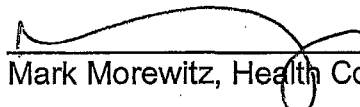
14 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
15 of Health and the Director of the Office of Contract Administration/Purchaser to make  
16 amendments to these contracts, as needed, that do not materially increase the obligations or  
17 liabilities of the City, and, be it

18 FURTHER RESOLVED, That within thirty (30) days of the contracts being fully  
19 executed by all parties, the Director of Heath and/or the Director of the Office of Contract  
20 Administration/Purchaser shall provide the final contracts to the Clerk of the Board for  
21 inclusion into the official file (File No. 140978).

22 RECOMMENDED:

APPROVED:

23  
24   
25 Barbara A. Garcia, Director of Health

  
Mark Morewitz, Health Commission Secretary

**Item 6**  
**File 14-0978**

**Department:**  
Department of Public Health

## EXECUTIVE SUMMARY

### Legislative Objectives

- The proposed resolution would approve the second amendments to the contracts between the Department of Public Health (DPH) and Crestwood Behavioral Services (Crestwood) and Mental Health Management, Inc. (Canyon Manor) to provide long-term mental health services. The amendments will extend the contracts from January 1, 2015 through June 30, 2018, for total contract terms of October 1, 2008 through June 30, 2018. The proposed total contract not-to-exceed amount for these two contracts is \$117,451,707; \$86,216,860 for Crestwood and \$31,234,847 for Canyon Manor.

### Key Points

- In 2008, DPH established contracts with Crestwood and Canyon Manor based on a competitive Request for Proposals (RFP) process. The total compensation for the Crestwood contract was \$48,787,156 and the total compensation for the Canyon Manor contract was \$20,966,758. The terms for the contracts were October 1, 2008 through June 30, 2013 with five one-year options to extend the contract through June 30, 2018.
- In 2013, the Board of Supervisors approved amendments to extend the contract terms by 18 months through December 31, 2014 for both Crestwood and Canyon Manor. The compensation for Crestwood was increased to \$51,728,151 from \$48,787,156. The compensation for Canyon Manor increased to \$26,530,847 from \$20,966,758.
- The proposed amendments will extend the contracts from January 1, 2015 through June 30, 2018. The proposed total contract not-to-exceed amount for the two contracts is \$117,451,707; \$86,216,860 for Crestwood and \$31,234,847 for Canyon Manor.

### Fiscal Impact

- Under the proposed resolution, the Crestwood contract not-to-exceed amount would increase from \$51,728,151 to \$86,216,860, and the Canyon Manor contract not-to-exceed amount would increase from \$26,530,847 to \$31,234,847. However, the actual needed contract amount for the Crestwood contract is \$84,847,392 or \$1,369,468 less than the resolution amount of \$86,216,860; and for the Canyon Manor contract is \$28,086,226 or \$3,148,621 less than the resolution amount of \$31,234,847.

### Recommendations

- Amend the proposed resolution for retroactivity to reflect the contract commencement date of January 1, 2015.
- Amend the proposed resolution to reduce (a) the Crestwood contract not-to-exceed amount by \$1,369,468 from \$86,216,860 to \$84,847,392; (b) the Canyon Manor contract not-to-exceed amount by \$3,148,621, from \$31,234,847 to \$28,086,226; and (c) the combined Crestwood and Canyon Manor contract not-to-exceed amounts by \$4,518,089 from \$117,451,707 to \$112,933,618.
- Approve the proposed resolution as amended.



**MANDATE STATEMENT**

In accordance with Charter Section 9.118(b), any contracts or agreements entered into by a department, board or commission requiring anticipated expenditures by the City and County of San Francisco of \$10,000,000, or the modification of amendments to such contract or agreement having an impact of more than \$500,000 shall be subject to approval of the Board of Supervisors by resolution.

**BACKGROUND**

In 2008, the Department of Public Health (DPH) established contracts with Crestwood Behavioral Health Services (Crestwood) and Mental Health Management, Inc. dba Canyon Manor (Canyon Manor) to provide long-term mental health services in a 24-hour locked facility to San Francisco residents aged 18-60 who have a diagnosed mental illness. These contracts were awarded based on a competitive Request for Proposals (RFP) process and were approved by the Board of Supervisors through Resolution No. 460-08.

The total compensation for the Crestwood contract was \$48,787,156 and the total compensation for the Canyon Manor contract was \$20,966,758, for total contract amounts of \$69,753,914. The terms for the contracts were October 1, 2008 through June 30, 2013 with five one-year options to extend the contracts through June 30, 2018.

In 2013, the Board of Supervisors approved amendments to extend the contracts by 18 months through December 31, 2014 to continue to provide long-term mental health services. The total compensation for Crestwood was increased to \$51,728,151 from \$48,787,156, an increase of \$2,940,995. The total compensation for Canyon Manor increased to \$26,530,847 from \$20,966,758, an increase of \$5,564,089. The total increased amount for the two contracts was \$78,258,998.

**DETAILS OF PROPOSED LEGISLATION**

The proposed resolution would approve a second amendment to the contracts between DPH and Crestwood and Canyon Manor to continue to provide long-term mental health services to San Francisco residents in a 24-hour locked facility. The amendments will extend the contracts from January 1, 2015 through June 30, 2018, an extension of three years and six months. Therefore, the proposed resolution should be amended for retroactivity. The total term of the contracts will be October 1, 2008 through June 30, 2018. The proposed total not-to-exceed amount for these two contracts is \$117,451,707. The not-to-exceed amount for each contract will be amended, as follows:

- 1) The not-to-exceed amount for the contract between DPH and Crestwood will increase to \$86,216,860, from \$51,728,151, an increase of \$34,488,709.
- 2) The not-to-exceed amount for the contract between DPH and Canyon Manor will increase to \$31,234,847, from \$26,530,847, an increase of \$4,704,000.

Table 1 below summarizes the increases to the Crestwood and Canyon Manor contracts to be approved through the proposed resolution.

**Table 1: Increases to Contract Not-to-Exceed Amount**

Program Year	Crestwood	Canyon Manor	Total
1/1/2015 - 6/30/2015	\$4,409,336	600,000	\$5,009,336
7/1/2015 - 6/30/2016	8,818,673	1,200,000	10,018,673
7/1/2016 - 6/30/2017	8,818,673	1,200,000	10,018,673
7/1/2017 - 6/30/2018	8,818,673	1,200,000	10,018,673
<b>Subtotal</b>	<b>\$30,865,355</b>	<b>4,200,000</b>	<b>35,065,355</b>
Contingency @ 12%	3,703,843	504,000	4,207,843
<b>Proposed Increase to Not-To-Exceed Amount</b>	<b>\$34,569,198 <sup>a</sup></b>	<b>\$4,704,000</b>	<b>\$39,273,198</b>

Source: DPH

<sup>a</sup> The proposed resolution states that the Crestwood contract will be increased by \$34,488,709, rather than the actual contract amount of \$34,569,198, shown in the table above. The contract amounts are discussed in the Fiscal Impact section below.

The current agreement contains provisions for four one-year extensions. According to Ms. Jacquie Hale, Director of the Office of Contracts Management and Compliance at DPH, DPH chose to extend the contracts for an additional three years and six months because there remains a longstanding need for these long-term mental health services in a 24-hour locked facility for San Francisco residents. By implementing a single extension for an additional three years and six months, rather than individual one-year extensions to be exercised each year, DPH will have more flexibility in administering the contracts. Ms. Hale further states that DPH has performed regular, ongoing performance monitoring of these contracts and both Crestwood and Canyon Manor have meet expectations established by DPH. DPH will continue these monitoring practices throughout the extended term of the contracts. DPH advises that both Crestwood and Canyon Manor are in compliance with all State licensing requirements. According to Ms. Hale, DPH plans to solicit a new competitive process to procure long-term mental health services upon completion of the proposed contract terms in 2018.

#### Contract Case Load

According to data provided by DPH, the average monthly patient census was 183 for Crestwood and 56 for Canyon Manor for FY 2008-09, and has decreased to 178 and 14, respectively, through November 30, 2014. Table 2 below shows the changes over time in average monthly census for each contract.

**Table 2: Average Monthly Census for Crestwood and Canyon Manor**

Year	Crestwood	Canyon Manor
FY 08/09	183	56
FY 09/10	203	56
FY 10/11	227	56
FY 11/12	216	49
FY 12/13	207	52
FY 13/14	192	32
FY 14/15	178	14

Source: DPH

According to Ms. Hale, DPH had previously sought to eliminate the Canyon Manor contract entirely; however this was not feasible because not all of the clients served through these contracts are clinically able to be accommodated at DPH's converted Behavioral Health Center, and therefore would need to remain at a locked facility, such as Crestwood or Canyon Manor.

Due to changes in State policy regarding mentally ill state prison inmates, DPH expects to receive an additional 15 individuals from state hospitals who will require additional treatment at a locked facility under supervision by the County. DPH is planning to serve these individuals through the Crestwood contract, increasing the average monthly census to 193 for the remainder of the contract.

#### FISCAL IMPACT

Under the proposed resolution, over the proposed three year and six month extended period, the Crestwood contract not-to-exceed amount would increase by \$34,488,709, from \$51,728,151 to \$86,216,860, and the Canyon Manor contract not-to-exceed amount would increase by \$4,704,000, from \$26,530,847 to \$31,234,847. However, as shown in Table 3 below, the actual needed contract amount for the Crestwood contract is \$84,847,392 or \$1,369,468 less than the requested amount of \$86,216,860; and the actual needed contract amount for the Canyon Manor contract is \$28,086,226 or \$3,148,621 less than the requested amount of \$31,234,847.

**Table 3: Actual and Proposed Expenditures in the Crestwood and Canyon Manor Contracts**

	<b>Crestwood</b>	<b>Canyon Manor</b>	<b>Total</b>
Prior Expenditures <sup>a</sup>	\$50,278,194	\$23,382,226	\$73,660,420
Requested Expenditures (Table 1)	<u>34,569,198</u>	<u>4,704,000</u>	<u>39,273,198</u>
<b>Total Prior and Requested Expenditures</b>	<b>\$84,847,392</b>	<b>\$28,086,226</b>	<b>\$112,933,618</b>
Not-to-exceed amount	<u>86,216,860</u>	<u>31,234,847</u>	<u>117,451,707</u>
<b>Total Recommended Reduction</b>	<b>(\$1,369,468)</b>	<b>(\$3,148,621)</b>	<b>(\$4,518,089)</b>

<sup>a</sup> DPH provided contract expenditure data 11/30/2014. The Budget and Legislative Analyst took the average monthly expenditure to determine projected expenditures through the authorized contract term of 12/31/2014.

The proposed resolution should be amended to show the following correct needed contract amounts:

- The Crestwood contract not-to-exceed amount will increase by \$33,119,241, from the current contract amount of \$51,728,151 to the needed amount of \$84,847,392. The amount of \$84,847,392 is \$1,369,468 less than the amount of \$86,216,860 requested under the proposed resolution.
- The Canyon Manor contract not-to-exceed amount will increase by \$1,555,379, from the current contract amount of \$26,530,847 to the needed amount of \$28,086,226. The amount of \$28,086,226 is \$3,148,621 less than the amount of \$31,234,847 requested under the proposed resolution.
- The combined Crestwood and Canyon Manor contracts not-to-exceed amounts will increase by \$34,674,620, from the current combined contract amounts of \$78,258,998 to the needed amount of \$112,933,618. The amount of \$112,933,618 is \$4,518,089 less than the combined requested amount of \$117,451,707.

Funding for these two contracts for the period of January 1, 2015 through June 30, 2015 was appropriated by the Board of Supervisors in the DPH budget for Fiscal Year 2014-15. Funding for future years of the contracts will be subject to Board of Supervisors appropriation approval.

**RECOMMENDATIONS**

1. Amend the proposed resolution for retroactivity to reflect the contract commencement date of January 1, 2015.
2. Amend the proposed resolution to reduce (a) the Crestwood contract not-to-exceed amount by \$1,369,468 from \$86,216,860 to \$84,847,392; (b) the Canyon Manor contract not-to-exceed amount by \$3,148,621, from \$31,234,847 to \$28,086,226; and (c) the combined Crestwood and Canyon Manor contract not-to-exceed amounts by \$4,518,089 from \$117,451,707 to \$112,933,618.
3. Approve the proposed resolution as amended.



City and County of San Francisco

## San Francisco Department of Public Health

Barbara A. Garcia, MPA  
Director of Health

September 15, 2014

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached please find a proposed resolution for Board of Supervisors approval, which will allow the continuation of mental health services in the locked facilities of Crestwood Behavioral Health Services and Mental Health Management I, Inc. dba Canyon Manor.

These contract amendments require Board of Supervisors approval under San Francisco Charter Section 9.118, as they were previously approved under Resolution 262-13 and the proposed amendments each exceed \$500,000.

The following is a list of accompanying documents:

- o Resolution draft, signed by the Director of Health and Health Commission Secretary;
- o The proposed amendments to each contract;
- o Resolution 262-13, approving the most recent amendment to the contracts;
- o Forms SFEC-126 for the Board of Supervisors.

The following person may be contacted regarding this matter: Jacquie Hale, Director, Office of Contracts Management and Compliance, Department of Public Health, (415) 554-2609 ([Jacquie.Hale@SFDPH.org](mailto:Jacquie.Hale@SFDPH.org)).

Thank you for your time and consideration.

Sincerely,

Jacquie Hale  
Director

DPH Office of Contracts Management and Compliance

---

The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~  
~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

[Jacquie.hale@sfdph.org](mailto:Jacquie.hale@sfdph.org) – office 415-554-2509 fax 415 554-2555

101 Grove Street, Room 307, San Francisco, CA 94102

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AMENDED IN COMMITTEE

7/17/13

FILE NO. 130532

RESOLUTION NO. 262-13

[Agreement Amendments - Crestwood Behavioral Health Services and Mental Health Management, Inc. dba Canyon Manor - \$78,285,998]

**Resolution retroactively approving an amendment to each of two agreements for long term mental health services in 24-hour locked facilities between the Department of Public Health and Crestwood Behavioral Health Services, by \$3,010,995 from \$48,717,156 to \$51,728,151; Mental Health Management I, Inc. dba Canyon Manor, by \$5,564,089 from \$20,966,758 to \$26,530,847 for a combined increase of \$78,285,998 with an extension of the term of eighteen months, for a total contract term of October 1, 2008, through December 31, 2014.**

WHEREAS, The Department of Public Health, in order to provide long term mental health services in a 24-hour locked facility to the residents of San Francisco, conducted a Request for Proposals on January 29, 2008 (RFP 1-2008), which provided for an initial contract term of four years and nine months with options to renew the contract to a maximum term of ten years; and

WHEREAS, The Department of Public Health awarded contracts under this Request for Proposals to Crestwood Behavioral Health Services and Mental Health Management I, Inc. dba Canyon Manor; and

WHEREAS, The Board of Supervisors previously approved the original contracts with these providers through adoption of Resolution 460-08, each for the term of October 1, 2008, through June 30, 2013; and

WHEREAS, The Department requests approval of these second amendments to these contracts to increase the total contract amounts by \$3,010,995 for Crestwood Behavioral Health Services and by \$5,564,089 for Mental Health Management I, Inc.

1 dba Canyon Manor, in order to enable the continued provision of these services through  
2 December 31, 2014, for a total term of six years and three months; and

3 WHEREAS, A copy of these amendments are on file with the Clerk of the Board  
4 of Supervisors in File No.130532, which is hereby declared to be a part of this resolution  
5 as if set forth fully herein; now, therefore, be it

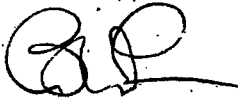
6 RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
7 Public Health and the Director of the Office of Contract Administration/Purchaser, on  
8 behalf of the City and County of San Francisco, to amend these contracts to increase  
9 the total contract total amounts by (1) \$3,010,995 for Crestwood Behavioral Health  
10 Services, from \$48,717,156 to \$51,728,151, and (2) \$5,564,089 for Mental Health  
11 Management I, Inc. dba Canyon Manor, from \$20,966,758 to \$26,530,847, and to  
12 extend the contact term by eighteen months, for a total term for each contract of  
13 October 1, 2008, through December 31, 2014; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
15 of Health and the Director of the Office of Contract Administration/Purchaser to make  
16 amendments to these contracts, as needed, that do not materially increase the obligations or  
17 liabilities of the City; and, be it

18 FURTHER RESOLVED, That within thirty (30) days of the contracts being fully  
19 executed by all parties, the Director of Heath and/or the Director of the Office of Contract  
20 Administration/Purchaser shall provide the final contracts to the Clerk of the Board for  
21 inclusion into the official file (File No. 130532).



1 RECOMMENDED:

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3 

4 Barbara A. Garcia  
5 Director of Health

APPROVED:

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8  
9  
10  
11   
12 Mark Morewitz  
13 Health Commission Secretary



**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 130532

**Date Passed:** July 23, 2013

Resolution retroactively approving an amendment to each of two agreements for long term mental health services in 24-hour locked facilities between the Department of Public Health and Crestwood Behavioral Health Services, by \$3,010,995 from \$48,717,156 to \$51,728,151; Mental Health Management I, Inc., dba Canyon Manor, by \$5,564,089 from \$20,966,758 to \$26,530,847 for a combined increase of \$78,285,998 with an extension of the term of eighteen months, for a total contract term of October 1, 2008, through December 31, 2014.

July 17, 2013 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE


July 17, 2013 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

July 23, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130532

I hereby certify that the foregoing  
Resolution was ADOPTED on 7/23/2013 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved

**RFP-1-2008**

**A locked setting providing care to adults and or older adults with mental illness, physical problems and behavioral problems**

**City and County of San Francisco**  
**DEPARTMENT OF PUBLIC HEALTH**  
Community Behavioral Health Services



**Request for Proposals (RFP) – 1 - 2008**

**DEPARTMENT OF PUBLIC HEALTH**  
**OFFICE OF CONTRACT MANAGEMENT AND COMPLIANCE**  
**1380 HOWARD STREET, SUITE 442**  
**SAN FRANCISCO, CA 94103**

**CONTACT**  
**MAHLET GIRMA**  
**CONTRACT ANALYST**  
**(415) 255-3504**

**Date issued: JANUARY 29, 2008**  
**E-Question Period: January 29 - February 15, 2008**  
**Proposal due: 12:00 p.m., February 29, 2008**

**Request for Proposals (RFP) – 1- 2008**  
**“Locked Facilities”**

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**Appendices:**

**A. Attachments: RFP- 1- 2008 Zipped file:**

**These forms must be completed in order for a proposer to be considered:**

- a. DPH Forms: RFP Form #1 Solicitation and Offer;  
RFP Form #2 Contractual Record Form;  
RFP Form #3 Prospective Contractor Financial Survey Form
- b. Budget Forms and CRDC Forms
- c. HRC 03.pdf Compliance Affidavit
- d. HRC Attachment 2

**B. Standard Forms: Listing and Internet addresses of Forms related to Taxpayer Identification Number and Certification, to Business Tax Declaration, and to Chapters 12B and 12C, and 14B of the S.F. Administrative Code** **B-1**

- C. Agreement for Professional Services (form P-500) – separate document upon request**  
*Note: The current DPH Standard Boilerplate “Agreement for Professional Services” (form P-500) can be furnished by the Contracts Office either electronically by email, or a hard copy by mail or pick up.*

## I. INTRODUCTION AND SCHEDULE

### A. General

The San Francisco Department of Public Health's (SFDPH) Community Behavioral Health Services (CBHS) is soliciting proposals from qualified vendors to provide psychiatric care to adults and/or older adults in a locked setting. The facilities licensed as a Skilled Nursing Facility (SNF) and or Mental Health Rehab Center (MHRC) will provide psychiatric care to adults and/or older adults in a locked setting. The facility will provide care to individuals with psychiatric problems, medical problems and behavior problems. The facility may also care for individuals with neurobehavioral diagnosis with a primary diagnosis of dementia. Individuals may be admitted with physical impairments requiring special needs that may include the use of a wheelchair, walker, or cane; they may also have vision and or hearing loss or speech impediments.

The overall program goal of each facility is to maximize each individual's functional capacity fostering self-care and return to the highest level of independent living possible in the community.

The contract shall have an original term from **July 1, 2008 to June 30, 2009**. In addition, the City shall have nine (9) options to extend the term for a period of one (1) year each for a total of **10 year contract**, which the City may exercise in its sole absolute discretion. The annual allocation for the contract is **\$14 million**.

### B. Schedule

The anticipated schedule for selecting a consultant is:

<u>Proposal Phase</u>	<u>Time</u>	<u>Date</u>
RFP is issued by the City		January 29, 2008
E-Questions begin	12:00 Noon	January 29, 2008
E-Question end [Deadline for submission of written questions]	12:00 Noon	February 15, 2008
Proposals due	12:00 Noon	February 29, 2008

#### *Estimated Dates*

Technical Review Panel meetings	Week of March 3, 2008
Contract Selection and Negotiation	Week of March 17, 2008
Health Commission Review	April 1, 2008
Board of Supervisors Approval	To be Determined
Contract Certified/ Start date	July 1, 2008

## II. SCOPE OF WORK

San Francisco residents admitted to these facilities recognized as SNF and or MHRC will be 18 years to 64 years and have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to the facilities licensed as SNF and not having IMD designation will be 18 years of age and above and will have an Axis I DSM IV psychiatric diagnosis.

Individuals admitted to any of the facilities may also have concomitant medical problems and/or have physical impairments requiring special needs that might include the use of a wheelchair, walker, or cane; individuals may also have vision and/or hearing loss, or speech impediment.

The facility will primarily admit San Francisco residents directly from acute psychiatric inpatient units.

The Director of CBHS Placement or his/her designee will authorize referrals to the facilities into contracted beds. All such referrals will have been approved for locked psychiatric SNF or MHRC level of care.

Each San Francisco resident admitted to the facilities into a contract bed will be reviewed every thirty (30) days by the CMHS Utilization Review Nurse, who will monitor on-going treatment and progress toward treatment goals including discharge as soon as clinically appropriate.

If a San Francisco resident on voluntary status or a private conservatee is referred by Placement to the facility, an addendum to the admission agreement will be signed by private conservator or voluntary resident *in advance of admission* indicating that voluntary individual or private conservator will comply with CMHS' utilization management decisions regarding the individual's readiness to move to a lower level of care.

### Admission Expectations

The CBHS Placement Director or his/her designee will be informed of the decision whether to admit or not admit within 72 hours of receipt of the referral packet.

The facility's physician "Initial Assessment and Treatment Plan" must consist of the following components and be signed by the attending psychiatrist/physician within five (5) business days of admission, and the facility shall send a copy of the "Treatment Plan" to the conservator and CBHS UR nurse within fourteen (14) calendar days:

1. A 5-Axis DSM-IV diagnosis
2. Signs and symptoms of psychiatric impairment and any pre-existing medical conditions.
3. Long and short-term goals that are based on individual resident capabilities and that are realistically attainable by resident.
4. Measurable objectives with specific time frames with special emphasis on medication regimen.
5. Special treatment and interventions and services with identification of the professional discipline responsible for each element of care.
6. Estimated duration of treatment and continuously updated progress notes reflecting justification for continued stay and identification of obstacles to community placement.
7. Prognosis.
8. Dated legible physician notes and signature.
9. Specification of drug regimen or no drug regimen.
10. Evidence of communication with resident's former physician upon admission and with resident's future physician upon discharge.

Admission and documentation will include the following:

1. A non-psychiatrist physician must perform a history and physical examination within forty-eight (48) hours of resident's admission.
2. Physician must provide reason for deferment of either the physical examination or any process within the examination. Attempts to complete a physical examination must be documented weekly. If, after fourteen days (14), these attempts are not successful, the resident's conservator must be contacted to arrange a court date so that the court can mandate the necessary care.
3. The facility shall obtain a copy of the conservator's investigation report and this report shall be present in the legal section of the resident record.

## **RFP for Locked Facilities**

4. The following demographic data will be collected for the purpose of conducting treatment and outcome evaluations: sex, age, race, marital status, legal status, psychiatric diagnosis, and primary language. In addition, the facility will record information about the resident's previous placement, prior hospitalizations, and reason for current hospitalization.

## **Ongoing Expectations**

Facility will provide:

1. Annual physical examination
2. Annual update regarding medication consents (with witness signatures).
3. Documentation in resident's record the facility's follow-up care regarding dental and eye care in addition to any necessary medical care.
4. Transportation and escort for clinic visits when necessary.
5. Adherence to all protocols regarding conserved residents, including issues of resident refusal of medications or treatment services. In the case of conserved residents refusing laboratory tests, the facility may negotiate with San Francisco General Hospital for recommended tests to be done there provided there is a court order for the resident to receive such tests.
6. Assistance and cooperation in efforts to obtain resident entitlements. The facility will collect, document and report to the County the SSI, VA and other third party payments
7. No one to one patient services will be provided without PRIOR written authorization and continued need will be reviewed daily by telephone with the coordinator of acute inpatient authorization.
8. Participate fully in the County's Billing and Data Collection system regarding entitlements.
9. Submit to San Francisco CMHS Billing Office, monthly invoices per the agreement with San Francisco Billing Office. Invoice attachments will include specific to each facility:
  - a. Resident's last name
  - b. First name
  - c. Units of service provided for that quarter.San Francisco CBHS will make payment adjustments quarterly for any resident not authorized for treatment.
10. Attending psychiatrists court testimony when required and following conditions must be met:
  - a. Be fully prepared, i.e., review resident chart prior to proceedings
  - b. Appear on time and sit through the hearing process in order to provide expert testimony in resident's case
  - c. In case of inability to attend, sufficient notice must be given by the psychiatrist. If time does not permit mailing notice, then the notice must be faxed to the mental health court.
11. The facility will abide by all admission and discharge notification requirements for the keeping of comprehensive bed data for the web based program when applicable.

## **Progress notes shall reflect the following:**

**Psychiatrists:** the attending psychiatrist must make a note at least every thirty-(30) days that addresses:

1. Resident's current level of functioning, addressing all 5 Axis
2. Description of resident's behaviors that present as an obstacle to discharge.
3. Behavioral assessment of current behavioral barriers effecting discharge potential
4. Documentation to support significant changes in functioning level, progress/regression.
5. Specific justification as to why resident needs to remain at current level of care.
6. Document current dose of medication(s).
7. Resident's response to medication(s).
8. Resident's compliance with medication(s).
9. Resident's use of PRN medication.
10. Notes shall reflect physician's use of laboratory results to determine adjustment to medication(s).
11. There shall be evidence of a monthly assessment and update regarding PRN psychotropic medication

**Nursing Staff:** Nursing staff must make a note at least every seven- (7) days that addresses:

1. Nursing management of the resident specific to problems identified in the resident's treatment plan.
2. Areas of the resident's ADL's requiring nursing intervention and frequency of that intervention.

## **RFP for Locked Facilities**

### **Program Staff:**

1. Resident's attendance and participation will be documented in resident's chart.
2. Resident will receive at least weekly individual sessions with group leader to discuss program goals and progress.

### **Discharge Expectations**

Social work documentation shall begin at point of admission with updates based on evaluation of resident's functional capacity. Documentation shall be relevant to resident's treatment goals and plans. Barriers to discharge will be identified and interventions that will address and/or resolve those barriers will be documented.

CBHS Linkage Staff, working in the Placement Program and SPR staff will interface on a regular basis with the program social services staff regarding the discharge readiness of residents.

When requested to make a resident ready for discharge or transfer, the facility will prepare all paperwork for resident discharge and make all arrangements within five (5) working days of receipt of written or verbal request from conservator, CBHS Linkage/Placement staff, or SPR staff.

The program will notify Director of CBHS Placement or his/her designee by fax or telephone on the day of discharge of any San Francisco resident.

The program will send medication and prescription information with resident upon discharge.

### **Need for Acute Hospitalization**

In the event that the facility(s) staff determines that a San Francisco resident should return to the acute hospital sector, the following procedures will be observed:

1. Emergency returns during working hours, Monday-Friday: refer to Psychiatric Emergency Return of San Francisco Residents Placed in out-of-county L-facilities (Manual No 3.03.3).
2. Non-emergency returns: an authorization is necessary from the Director of CBHS Placement or his/her designee.
3. Off-hour emergency returns: The CBHS Placement Director must be notified on the next working day of any emergency returns made during non-business hours.
4. The bed of any patient referred to the acute hospital will be held for seven (7) days pending his/her return.
5. There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring program will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

### **County Payment for Physician Services**

The County will authorize payment of services rendered by physicians when itemized bills, which identify the resident(s) served, are submitted to the County. All bills for court testimony; administrative meeting and utilization review meetings must specify name of resident and duration of meeting in minutes.

The County reserves the right to interview and approve all physicians who are applying to assume responsibility for County residents, and the facility must provide notice to County in a timely manner regarding and physician resignations.

### **Service and Quality of Care**

Facilities shall maintain a regularly scheduled Continuous Quality Improvement Committee and extend an invitation to the County to attend as needed to facilitate the exchange of information. Committee membership shall consist of the following staff: one attending psychiatrist or Medical Director, Director of Nurses, Director of Program, and Social Worker. Attendance shall be documented and submitted as part of regular reports to the County.



### III. Submission Requirements

#### A. Time and Place for Submission of Proposals

Proposals must be received by 12:00 p.m., on **February 29, 2008**. Postmarks will not be considered in judging the timeliness of submissions. Proposals may be delivered in person and left with DPH Office of Contracts Management and Compliance ("Contracts Office"), or mailed to:

**San Francisco Department of Public Health  
Office of Contracts Management and Compliance  
1380 Howard St., 4<sup>th</sup> Floor, # 442  
San Francisco, CA 94103**

Proposers shall submit one (1) original and six (6) copies of the proposal, and separately bound, of required Human Rights Commission (HRC) Forms in a sealed envelope clearly marked "**RFP-1-2008 – Locked Facilities**" to the above location. The original copy of the proposal must be clearly marked as "**ORIGINAL**". Proposals that are submitted by facsimile, telephone or electronic mail will not be accepted. Late submissions will not be considered.

#### B. Format

All submission must be typewritten and on recycled paper and printed on double-sided pages to the maximum extent possible. Please bind the proposal with a binder clip, rubber band or single staple or submit it in a three ring binder. Please do not bind your proposal with a spiral binding, glued binding or anything similar. You may use tabs or other separators within the document. If your response is lengthy, please include a Table of Contents.

#### C. Content

Firms interested in responding to this RFP must complete the attached DPH RFP Form # 1 – Solicitation and Offer and return it with the following information in the order specified below:

##### 1. Introduction and Executive Summary

Submit a letter of introduction and executive summary of the proposal. The letter must be signed by a person authorized by your firm to obligate your firm to perform the commitments contained in the proposal. Submission of the letter will constitute a representation by your firm that it is willing and able to perform the commitments contained in the proposal.

##### 2. Project Approach

Describe the services and activities that your firm proposes to provide to the City. Include the following information:

- a. Overall scope of work tasks; and
- b. Schedule and ability to complete the project within the City's required time frame; and
- c. Assignment of work within your firm's work team.

##### 3. Qualifications

Provide information on your agency's background and qualifications which addresses the following:

- a. Name, address and telephone number of a contact person;
- b. How your agency meets the minimum qualifications stated in this RFP (See Section IV);
- c. Proven ability to work with specialized populations seeking locked services.
- d. Cultural competence with the target population, evidence of consumer and family participation.
- e. Demonstration that over all program goal is to maximize each clients potential and functioning capacity fostering self care and return to the highest level of independent living possible in the community.

##### 4. Financial Management Capacity

The City intends to award this contract to the firm that it considers will provide the best overall program services. The City reserves the right to accept other than the lowest priced offer and to reject any proposals that are not responsive to this request.

## RFP for Locked Facilities

Please provide a fee proposal in a sealed envelope that includes the following:

- a. Total fee for each of the disciplines identified in the Scope of Work with a not-to-exceed figure;
- b. Copies of audited financial statements, a listing of financial management staff and accounting staff including names, job titles, and length of service.

### IV. Evaluation and Selection Criteria

#### A. Minimum Qualifications

Applicants must meet the minimum qualifications:

1. Demonstrated a minimum of 5 years experience in providing services as discussed in Section II.
2. Demonstrated expertise and practical experience in working with the San Francisco public health care services system.
3. Good standing, licenses, Etc. The provider must be a valid existing legal entity, qualified to do business and in good standing in the State of California. In addition, the Provider must have all necessary licenses, permits, approvals and authorizations to perform the Work and conduct the Providers business.
4. Other City Contracting Requirements. The Provider must be willing and able to comply with the City and contracting requirements set forth in Section VII of this RFP

The successful applicant must provide the following:

A summary of the qualifications of the organization, listing of the Board of Directors, in any, the name of a specific contact person with the appropriate administrative authority for contract negotiations, information on how the organization is becoming more culturally competent to meet the needs of clients, a statement regarding compliance with HIPPA, and an assurance that the financial statements of the organization have been audited in the past three years, all signed by the chief executive officer or the executive director of the organization.

(Minimum Qualifications shall comply with the Scope of Work Listed in Section II.) \_\_\_\_\_

Any proposal that does not demonstrate that the proposer meets these minimum requirements by the deadline for submittal of proposals will be considered non-responsive and will not be eligible for award of the contract.

#### B. Cultural Competency

Cultural Competency refers to being aware of cultural differences among diverse racial, ethnic, and other minority groups, respecting those differences, and taking steps to apply that knowledge to professional practice.

The Program will need to put together a comprehensive Culturally Competency Plan. They will need to demonstrate strengths including on-going attempts to improve their care in a culturally and linguistically appropriate way. Conduct on-going trainings for staff, regularly conduct surveys with clients to better ascertain their needs and desires. Partner with the community to continue to improve their care and their understanding of the diverse population that is treated in their facility. Along with scheduled input from staff and clients regarding cultural competence the program will need to review any complaints or concerns on an ongoing basis that may limit the ability of the facility to provide culturally and linguistically competent services. If any barriers are discovered, the Program Director will develop a study within the CQI Program and collect data, analyze it and propose a solution to the problem. The program will work diligently to serve the clients in a culturally competent manor and to make changes when a problem is discovered.

#### C. Selection Criteria

The proposals will be evaluated by a selection committee comprised of parties with expertise in long term care. The City intends to evaluate the proposals generally in accordance with the criteria itemized below.

## RFP for Locked Facilities

1. **Experience providing requested services** **25 points**
  - a. Minimum number of five (5) years providing requested or closely related services
  - b. Evidence of any related license or program certification
  - c. Use of license or certified staff (if relevant)
2. **Cultural competence with target population and emphasized needs** **25 points**
  - a. Employment of appropriate staff; documentation of linguistic capacity; documentation of Board of Directors cultural composition
  - b. Ability to provide gender focused services and to make specific accommodations for target populations needs
  - c. Evidence of consumer and family member participation in the development of the proposal and the design of the program
3. **Quality and comprehensive of proposed service plan** **25 points**
  - a. Proven ability to work with specialized population seeking locked services
  - b. Comprehensiveness of plan to provide services that are aimed to build a clients strengths and assist with community living when appropriate
  - c. The proposal will need to demonstrate the overall program goal is to maximize each individual's functional capacity fostering self-care and return to the highest level of independent living possible in the community
4. **Financial Management Capacity** **25 points**
  - a. Copies of audited financial statements and accompanying management letters for fiscal years 2004/2005, 2005/2006, and 2006/2007
  - b. Current cash flow statement and projection for the period of July 1, 2007 to June 30, 2008
  - c. A listing of financial management staff and accounting staff including names, job title, length of service and brief resume if needed

**TOTAL POINTS POSSIBLE FROM PROPOSAL:** **100 Points**

**TOTAL POINTS POSSIBLE UNDER LBE ORDINANCE:** **10 Points**

**This may include:**

- 10.0% discount to a LBE; or joint venture between or among LBEs;
- 5.0% discount to a joint venture with LBE participation that equals or exceeds 35.0%, but is under 40.0%
- 7.5% discount to a joint venture with LBE participation that equals or exceeds 40.0%
- 10.0% discount to a certified non-profit entity

**The Contract Analyst will calculate any LBE discount points**

**TOTAL POINTS POSSIBLE:** **110 Points**

## **RFP for Locked Facilities**

### **V. E-QUESTION PERIOD AND CONTRACT AWARD**

#### **A. E-Questions**

Please note that there will be no Pre-Proposals Conference for this RFP.

All questions and requests for information must be received by electronic mail, fax and/ or US Mail and will be answered at the end of the E-Question period, by electronic mail, fax and or US Mail to all parties who have requested and received a copy of the RFP. The questions will be answered by the program staff. This is the only opportunity firms can ask direct programmatic questions of the Department staff. All questions are to be directed to the following e-mail address: [Mahlet.Girma@sfdph.org](mailto:Mahlet.Girma@sfdph.org), OR by electronic mail, fax and or US Mail to:

**Mahlet Girma, Contract Analyst**  
**San Francisco Department of Public Health**  
**Office of Contracts Management & Compliance**  
**1380 Howard St., 4<sup>th</sup> floor, #442**  
**San Francisco, CA 94103**  
**Phone (415) 255-3504 / Fax (415) 252-308**

E-questions may only be submitted from January 29, 2008 until 12:00 Noon February 15, 2008.

No questions or requests for interpretation will be accepted after 12:00 Noon on February 15, 2008. If you have further questions regarding the RFP, please contact Mahlet Girma at 415-255-3504.

#### **B. Contract Award**

The Department of Public Health Community Behavioral Health Services (CBHS) and Housing and Urban Health (HUH) will issue Notices of Intent to Award to the selected Proposer with whom CBHS and HUH staff shall commence contract negotiations. The selection of any proposal shall not imply acceptance by the City of all terms of the Proposal, which may be subject to further negotiation and approvals before the City may be legally bound thereby. If a satisfactory contract cannot be negotiated in a reasonable time CBHS/HUH in its sole discretion may terminate negotiations with the recommended Proposer and begin contract negotiations with the next recommended Proposer.

### **VI. TERMS AND CONDITIONS FOR RECEIPT OF PROPOSALS**

#### **A. Errors and Omissions in RFP**

Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify the Department, in writing, if the proposer discovers any ambiguity, discrepancy, omission, or other error in the RFP. Any such notification should be directed to the Department, promptly after discovery, but in no event later than five working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

#### **B. Inquiries Regarding RFP**

Inquiries regarding the RFP and all oral notifications of an intent to request written modification or clarification of the RFP, must be directed to:

**Mahlet Girma, Contract Analyst**  
**San Francisco Department of Public Health**  
**Office of Contracts Management & Compliance**  
**1380 Howard St., 4<sup>th</sup> floor, #442**  
**San Francisco, CA 94103**  
**Phone (415) 255-3504 / Fax (415) 252-3088**  
**E-mail: [Mahlet.Girma@sfdph.org](mailto:Mahlet.Girma@sfdph.org)**

## **RFP for Locked Facilities**

### **C. Objections to RFP Terms**

Should a proposer object on any ground to any provision or legal requirement set forth in this RFP, the proposer must, not more than ten calendar days after the RFP is issued, provide written notice to the Department setting forth with specificity the grounds for the objection. The failure of a proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

### **D. Change Notices**

The Department may modify the RFP, prior to the proposal due date, by issuing Change Notices, which will be posted on the website. The proposer shall be responsible for ensuring that its proposal reflects any and all Change Notices issued by the Department prior to the proposal due date regardless of when the proposal is submitted. Therefore, the City recommends that the proposer consult the website frequently, including shortly before the proposal due date, to determine if the proposer has downloaded all Change Notices.

### **E. Term of Proposal**

Submission of a proposal signifies that the proposed services and prices are valid for 120 calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

### **F. Revision of Proposal**

A proposer may revise a proposal on the proposer's own initiative at any time before the deadline for submission of proposals. The proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any proposer.

At any time during the proposal evaluation process, the Department may require a proposer to provide oral or written clarification of its proposal. The Department reserves the right to make an award without further clarifications of proposals received.

### **G. Errors and Omissions in Proposal**

Failure by the Department to object to an error, omission, or deviation in the proposal will in no way modify the RFP or excuse the vendor from full compliance with the specifications of the RFP or any contract awarded pursuant to the RFP.

### **H. Financial Responsibility**

The City accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Submissions of the RFP will become the property of the City and may be used by the City in any way deemed appropriate.

### **I. Proposer's Obligations under the Campaign Reform Ordinance**

Proposers must comply with Section 1.126 of the S.F. Campaign and Governmental Conduct Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

## **RFP for Locked Facilities**

If a proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the proposer is prohibited from making contributions to:

- the officer's re-election campaign
- a candidate for that officer's office
- a committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (1) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (2) a city officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a Request for Proposal, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

1. **Criminal.** Any person who knowingly or willfully violates section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
2. **Civil.** Any person who intentionally or negligently violates section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
3. **Administrative.** Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, proposers should contact the San Francisco Ethics Commission at (415) 581-2300.

### **J. Sunshine Ordinance**

In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to RFPs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

### **K. Public Access to Meetings and Records**

If a proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, the proposer must comply with Chapter 12L. The proposer must include in its proposal (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to proposer's meetings and records, and (2) a summary of all complaints concerning the proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in proposer's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

### **L. Reservations of Rights by the City**

The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

## **RFP for Locked Facilities**

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reject any or all proposals;
3. Reissue a Request for Proposals;
4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
5. Procure any materials, equipment or services specified in this RFP by any other means; or
6. Determine that no project will be pursued.

### **M. No Waiver**

No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by a proposer to observe any provision of this RFP.

### **N. Local Business Enterprise Goals and Outreach**

The requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance") shall apply to this RFP.

#### **1. LBE Participation**

The City strongly encourages proposals from qualified LBEs. Pursuant to Chapter 14B, the following rating discount will be in effect for the award of this project for any proposers who are certified by HRC as a LBE, or joint ventures where the joint venture partners are in the same discipline and have the specific levels of participation as identified below. Certification applications may be obtained by calling HRC at (415) 252-2500. The rating discount applies at each phase of the selection process. The application of the rating discount is as follows:

- a. A 10% discount to an LBE; or a joint venture between or among LBEs; or
- b. A 5% discount to a joint venture with LBE participation that equals or exceeds 35%, but is under 40%; or
- c. A 7.5% discount to a joint venture with LBE participation that equals or exceeds 40%; or
- d. A 10% discount to a certified non-profit entity.

If applying for a rating discount as a joint venture: The LBE must be an active partner in the joint venture and perform work, manage the job and take financial risks in proportion to the required level of participation stated in the proposal, and must be responsible for a clearly defined portion of the work to be performed and share in the ownership, control, management responsibilities, risks, and profits of the joint venture. The portion of the LBE joint venture's work shall be set forth in detail separately from the work to be performed by the non-LBE joint venture partner. The LBE joint venture's portion of the contract must be assigned a commercially useful function.

#### **2. HRC Forms to be Submitted with Proposal**

a. All proposals submitted must include the following Human Rights Commission (HRC) Forms contained in the HRC Attachment 2: 1) HRC Contract Participation Form, 2) HRC "Good Faith Outreach" Requirements Form, 3) HRC Non-Discrimination Affidavit, 4) HRC Joint Venture Form (if applicable), and 5) HRC Employment Form. If these forms are not returned with the proposal, the proposal may be determined to be non-responsive and may be rejected.

b. Please submit only two copies of the above forms with your proposal. The forms should be placed in a separate, sealed envelope labeled HRC Forms.

If you have any questions concerning the HRC Forms, you may call Human Rights Commission at (415) 252-2500.

## VII. CONTRACT REQUIREMENTS

### A. Standard Contract Provisions

The successful proposer will be required to enter into a contract substantially in the form of the Agreement for Professional Services, attached hereto as Appendix C. Failure to timely execute the contract, or to furnish any and all insurance certificates and policy endorsement, surety bonds or other materials required in the contract, shall be deemed an abandonment of a contract offer. The City, in its sole discretion, may select another firm and may proceed against the original selectee for damages.

Proposers are urged to pay special attention to the requirements of Administrative Code Chapters 12B and 12C, Nondiscrimination in Contracts and Benefits, (Chapter 12B.2 "Nondiscrimination; Penalties in the Agreement"); the Minimum Compensation Ordinance (Chapter 12P.5 "Requiring Minimum Compensation for Covered Employee" in the Agreement); the Health Care Accountability Ordinance (Chapter 12Q.2.9 "Requiring Health Benefits for Covered Employees" in the Agreement); the First Source Hiring Program (Chapter 83 "First Source Hiring Program" in the Agreement); and applicable conflict of interest laws, as set forth in paragraphs B, C, D, E and F below.

### B. Nondiscrimination in Contracts and Benefits

The successful proposer will be required to agree to comply fully with and be bound by the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Generally, Chapter 12B prohibits the City and County of San Francisco from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. The Chapter 12C requires nondiscrimination in contracts in public accommodation. Additional information on Chapters 12B and 12C is available on the HRC's website at [www.sfhrc.org](http://www.sfhrc.org)

### C. Minimum Compensation Ordinance (MCO)

The successful proposer will be required to agree to comply fully with and be bound by the provisions of the Minimum Compensation Ordinance (MCO), as set forth in S.F. Administrative Code Chapter 12P. Generally, this Ordinance requires contractors to provide employees covered by the Ordinance who do work funded under the contract with hourly gross compensation and paid and unpaid time off that meet certain minimum requirements. For the contractual requirements of the MCO, see Sec. 12P.5 of "Requiring Minimum Compensation for Covered Employee" in the Agreement.

For the amount of hourly gross compensation currently required under the MCO, see [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). Note that this hourly rate may increase on January 1 of each year and that contractors will be required to pay any such increases to covered employees during the term of the contract.

Additional information regarding the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco).

### D. Health Care Accountability Ordinance (HCAO)

The successful proposer will be required to agree to comply fully with and be bound by the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in S.F. Administrative Code Chapter 12Q. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the HCAO is available on the web at [www.sfgov.org/olse/hcao](http://www.sfgov.org/olse/hcao).

### E. First Source Hiring Program (FSHP)

If the contract is for more than \$50,000, then the First Source Hiring Program (Admin. Code Chapter 83) may apply. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry-level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment.



## **RFP for Locked Facilities**

Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available on the web at [www.sfgov.org/moed/fshp.htm](http://www.sfgov.org/moed/fshp.htm) and from the First Source Hiring Administrator, (415) 401-4960.

### **F. Conflicts of Interest**

The successful proposer will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful proposer will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful proposer that the City has selected the proposer.

## **VIII. PROTEST PROCEDURES**

### **A. Protest of Non-Responsiveness Determination**

Within five (5) working days of the City's issuance of a notice of non-responsiveness, any firm that has submitted a proposal and believes that the City has incorrectly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth (5<sup>th</sup>) working day following the City's issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

### **B. Protest of Contract Award**

Within five (5) working days of the City's issuance of a notice of intent to award the contract, any firm that has submitted a responsive proposal and believes that the City has incorrectly selected another proposer for award may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth (5<sup>th</sup>) working day after the City's issuance of the notice of intent to award.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

### **C. Delivery of Protests**

All protests must be received by the due date. If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

Jacquie Hale, Director  
Office of Contracts Management and Compliance  
San Francisco Department of Public Health  
101 Grove, Room 307  
San Francisco, CA 94102  
Phone (415) 554-2609/ Fax (415) 554-255

---

**ATTACHMENTS:**

Provided on paper/hard copy or electronically (in a "zipped" file) for this RFP:

- ☐ DPH Forms:
    - ☐ RFP Form #1 Solicitation and Offer
    - ☐ RFP Form #2 Contractual Record Form
    - ☐ RFP Form #3 Prospective Contractor Financial Survey Form
  - ☐ Budget Forms and CRDC Forms
  - ☐ HRC 03 Compliance Affidavit
  - ☐ HRC Attachment 2 (*this contains the required HRC forms mentioned in Section VI.N2*)
-

## RFP for Locked Facilities

### Appendix B Standard Forms

Before the City can award any contract to a contractor, that contractor must file three standard City forms (items 1-3 on the chart). Because many contractors have already completed these forms, and because some informational forms are rarely revised, the City has not included them in the RFP package. Instead, this Appendix describes the forms, where to find them on the Internet (see bottom of page 2), and where to file them. If a contractor cannot get the documents off the Internet, the contractor should call (415) 554-6248 or e-mail Purchasing ([purchasing@sfgov.org](mailto:purchasing@sfgov.org)) and Purchasing will fax, mail or e-mail them to the contractor.

If a contractor has already filled out items 1-3 (see note under item 3) on the chart, **the contractor should not do so again unless the contractor's answers have changed.** To find out whether these forms have been submitted, the contractor should call Vendor File Support in the Controller's Office at (415) 554-6702.

If a contractor would like to apply to be certified as a local business enterprise, it must submit item 4. To find out about item 4 and certification, the contractor should call Human Rights Commission at (415) 252-2500.

Item	Form name and Internet location	Form	Description	Return the form to; For more info
1.	Request for Taxpayer Identification Number and Certification  <a href="http://www.sfgov.org/oca/purchasing/forms.htm">www.sfgov.org/oca/purchasing/forms.htm</a>  <a href="http://www.irs.gov/pub/irs-fill/fw9.pdf">www.irs.gov/pub/irs-fill/fw9.pdf</a>	W-9	The City needs the contractor's taxpayer ID number on this form. If a contractor has already done business with the City, this form is not necessary because the City already has the number.	Controller's Office Vendor File Support City Hall, Room 484 San Francisco, CA 94102  (415) 554-6702
2.	Business Tax Declaration  <a href="http://www.sfgov.org/oca/purchasing/forms.htm">www.sfgov.org/oca/purchasing/forms.htm</a>	P-25	All contractors must sign this form to determine if they must register with the Tax Collector, even if not located in San Francisco. All businesses that qualify as "conducting business in San Francisco" must register with the Tax Collector.	Controller's Office Vendor File Support City Hall, Room 484 San Francisco, CA 94102  (415) 554-6702
3.	S.F. Administrative Code Chapters 12B & 12C Declaration: Nondiscrimination in Contracts and Benefits  <a href="http://www.sfgov.org/oca/purchasing/forms.htm">www.sfgov.org/oca/purchasing/forms.htm</a> –  In Vendor Profile Application	HRC-12B-101	Contractors tell the City if their personnel policies meet the City's requirements for nondiscrimination against protected classes of people, and in the provision of benefits between employees with spouses and employees with domestic partners. Form submission is not complete if it does not include the additional documentation asked for on the form. Other forms may be required, depending on the answers on this form. <b>Contract-by-Contract Compliance status vendors must fill out an additional form for each contract.</b>	Human Rights Comm. 25 Van Ness, #800 San Francisco, CA 94102-6059 (415) 252-2500

## RFP for Locked Facilities

Item	Form name and Internet location	Form	Description	Return the form to; For more info
4.	HRC LBE Certification Application  <a href="http://www.sfgov.org/oca/purchasing/forms.htm">www.sfgov.org/oca/purchasing/forms.htm</a> –  In Vendor Profile Application		Local businesses complete this form to be certified by HRC as LBEs. Certified LBEs receive a bid discount pursuant to Chapter 14B when bidding on City contracts. To receive the bid discount, you must be certified by HRC by the proposal due date.	Human Rights Comm. 25 Van Ness, #800 San Francisco, CA 94102-6059 (415) 252-2500

## Where the forms are on the Internet

### Office of Contract Administration

Homepage: [www.sfgov.org/oca/](http://www.sfgov.org/oca/)  
Purchasing forms: Click on "Required Vendor Forms" under the "Information for Vendors and Contractors" banner.

### Human Rights Commission

HRC's homepage: [www.sfhrc.org](http://www.sfhrc.org)  
Equal Benefits forms: Click on "Forms" under the "Equal Benefits" banner near the bottom.  
LBE certification form: Click on "Forms" under the "LBE" banner near the bottom



CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

PO NUMBER: DPHM09000317  
PO AMOUNT: \$1,481,488.00

TO: MENTAL HEALTH MGMT I INC DBA CANYON MANO  
655 CANYON RD  
NOVATO CA 94948

PO PRINT DATE: 01/08/2009

PHONE :  
VENDOR ID: 12323

TERMS: NET  
FOB : DEST

ISSUE DATE : 01/12/2009

BPO # : BPHM09000042 <<  
EFF. DATE : 10/01/2008  
EXP. DATE : 06/30/2013

DELIVER TO: 1380 HOWARD ST 4TH FLOOR  
SAN FRANCISCO CA 94103-0000

AUTHORIZED SIGNATURE: \_\_\_\_\_

DATE : 1/8/09  
PHONE: \_\_\_\_\_

ORIGINAL ORDER MUST BE SIGNED TO BE VALID

INVOICE TO: SUBSTANCE ABUSE & FORENSICS (HMI01)  
1380 HOWARD ST - RM 444  
SAN FRANCISCO CA 94103-0000

TERMS:

THIS CONTRACT PURCHASE ORDER AND THE ACCOMPANYING SIGNED CONTRACT  
AUTHORIZE YOU TO BEGIN PERFORMING THE CONTRACT AND INVOICING THE  
CITY. THIS IS SUBJECT TO THE TERMS AND CONDITIONS IN THE CONTRACT. ANY  
TERMS AND CONDITIONS ON THE REVERSE OF THIS DOCUMENT DO NOT APPLY.

YOU MUST INCLUDE THE CONTRACT PURCHASE ORDER NUMBER ON ALL INVOICES.



CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

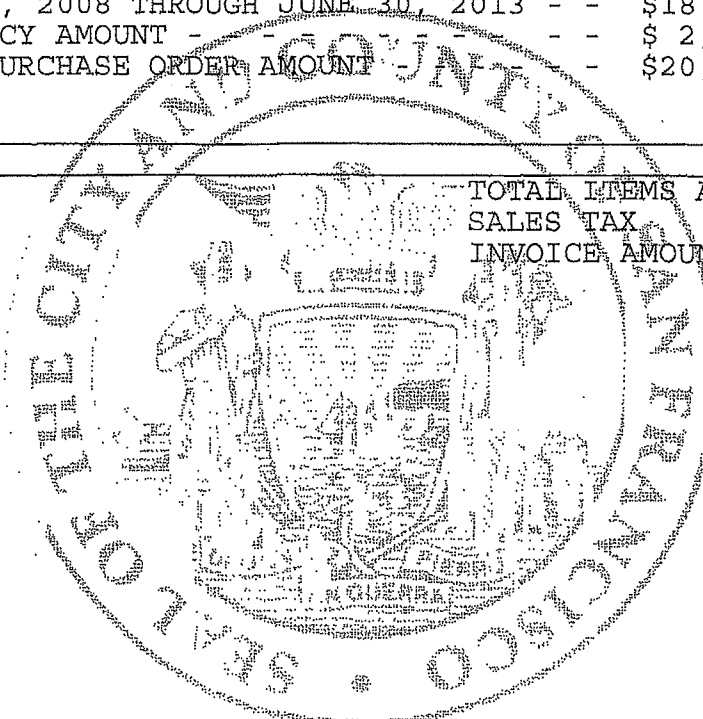
PO NUMBER: DPHM09000317  
PO AMOUNT: \$1,481,488.00

ITEM	COMMODITY ID	UOM	TAX	QUANTITY	UNIT PRICE	TOTAL PRICE
	NAME/SPECS					
1	7400-20	EA	N	1.00	1,481,488.0000	1,481,488.00
	SVC,MED/HLTH;CMH (COMMUNITY MENTAL HEALTH)					

TO PROVIDE 24-HOUR MENTAL HEALTH REHABILITATION SERVICES.

OCTOBER 1, 2008 THROUGH JUNE 30, 2009	- - -	\$2,955,840
JULY 1, 2009 THROUGH JUNE 30, 2010	- - -	\$3,941,120
JULY 1, 2010 THROUGH JUNE 30, 2011	- - -	\$3,941,120
JULY 1, 2011 THROUGH JUNE 30, 2012	- - -	\$3,941,120
JULY 1, 2012 THROUGH JUNE 30, 2013	- - -	\$3,941,120
OCTOBER 1, 2008 THROUGH JUNE 30, 2013	- -	\$18,720,320
CONTINGENCY AMOUNT	- -	\$ 2,246,438
BLANKET PURCHASE ORDER AMOUNT	- -	\$20,966,758

TOTAL ITEMS AMOUNT \$1,481,488.00  
SALES TAX \$.00  
INVOICE AMOUNT \$1,481,488.00

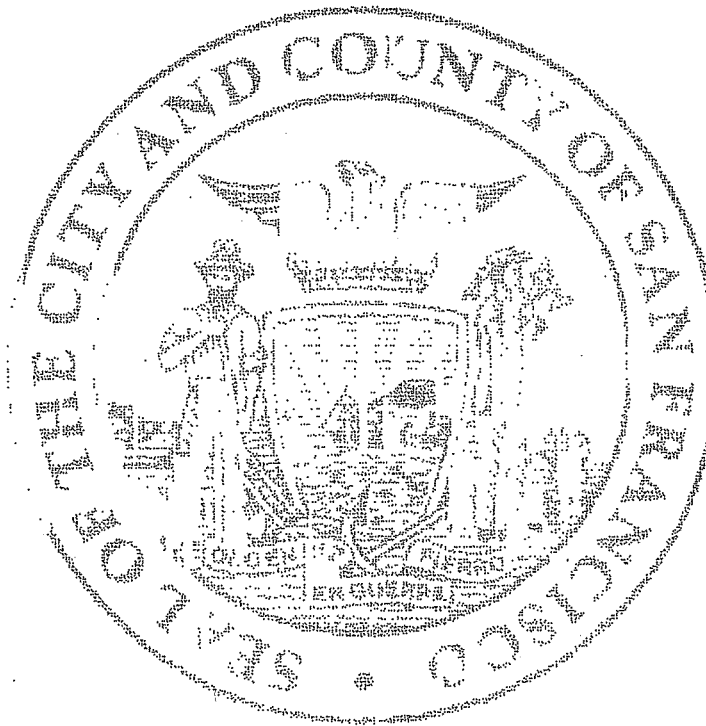




CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

PO NUMBER: DPHM09000317  
PO AMOUNT: \$1,481,488.00

SFX INDEX	SUBOBJ USERCODE PROJCT PRJDTL GRANT GRNTDTL	AMOUNT
01	HMHMLT730416 02789	1,481,488.00
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		1,481,488.00



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PREPARED BY (Print) <b>David Folmar</b> Senior Administrative Analyst Phone # <b>255-3491</b> Fax # <b>252-3088</b>		APPROVALS																																																									
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**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**Agreement between the City and County of San Francisco and  
Mental Health Management, Inc., dba Canyon Manor**

This Agreement is made this **1st of October 2008**, in the City and County of San Francisco, State of California, by and between: **Mental Health Management, Inc., dba Canyon Manor**, hereinafter referred to as "Contractor," and the **City and County of San Francisco**, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

**Recitals**

WHEREAS, the Department of Public Health, **Community Behavioral Health Services**, ("Department") wishes to provide mental health and substance abuse services; and,

WHEREAS, a Request for Proposal ("RFP") was issued on **January 29, 2008**, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number **2013 04/05** on **June 6, 2005**;

Now, THEREFORE, the parties agree as follows:

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation**

This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

**THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.**

**2. Term of the Agreement**

Subject to Section 1, the term of this Agreement shall be from **October 1, 2008 to June 30, 2013**.

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

- Option 1: July 1, 2013 - June 30, 2014
- Option 2: July 1, 2014 - June 30, 2015
- Option 3: July 1, 2015 - June 30, 2016
- Option 4: July 1, 2016- June 30, 2017
- Option 5: July 1, 2017- June 30, 2018

**3. Effective Date of Agreement**

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

**4. Services Contractor Agrees to Perform**

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Twenty Million Nine Hundred Sixty Six Thousand, Seven Hundred Fifty Eight Dollars (\$20,966,758). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

**6. Guaranteed Maximum Costs**

a. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**7. Payment; Invoice Format**

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number and must conform to Appendix F. All amounts paid by City to Contractor shall be subject to audit by City.

Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

**8. Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**9. Disallowance**

If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement.

By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

**10. Taxes**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

#### **11. Payment Does Not Imply Acceptance of Work**

The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

#### **12. Qualified Personnel**

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

#### **13. Responsibility for Equipment**

City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

#### **14. Independent Contractor; Payment of Taxes and Other Expenses**

##### **a. Independent Contractor**

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with

any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

**b. Payment of Taxes and Other Expenses.**

Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

**15. Insurance**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(4) Blanket Fidelity Bond (Commercial Blanket Bond): Limits in the amount of the Initial Payment provided for in the Agreement

(5) Professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty (30) days' advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Office of Contract Management and Compliance  
Department of Public Health  
101 Grove Street, Room 307  
San Francisco, California 94102

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

## 16. Indemnification

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**17. Incidental and Consequential Damages**

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

**18. Liability of City**

CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

**19. Left blank by agreement of the parties. (Liquidated damages)**

**20. Default; Remedies**

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, 53, 55, 57, 58, and item 1 of Appendix D attached to this Agreement.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any

other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

## **21. Termination for Convenience**

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total



of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

## **22. Rights and Duties upon Termination or Expiration**

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, 57 and item 1 of Appendix D attached to this Agreement.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

## **23. Conflict of Interest**

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

## 24. Proprietary or Confidential Information of City

a. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

b. Contractor shall maintain the usual and customary records for persons receiving Services under this Agreement. Contractor agrees that all private or confidential information concerning persons receiving Services under this Agreement, whether disclosed by the City or by the individuals themselves, shall be held in the strictest confidence, shall be used only in performance of this Agreement, and shall be disclosed to third parties only as authorized by law. Contractor understands and agrees that this duty of care shall extend to confidential information contained or conveyed in any form, including but not limited to documents, files, patient or client records, facsimiles, recordings, telephone calls, telephone answering machines, voice mail or other telephone voice recording systems, computer files, e-mail or other computer network communications, and computer backup files, including disks and hard copies. The City reserves the right to terminate this Agreement for default if Contractor violates the terms of this section.

c. Contractor shall maintain its books and records in accordance with the generally accepted standards for such books and records for five years after the end of the fiscal year in which Services are furnished under this Agreement. Such access shall include making the books, documents and records available for inspection, examination or copying by the City, the California Department of Health Services or the U.S. Department of Health and Human Services and the Attorney General of the United States at all reasonable times at the Contractor's place of business or at such other mutually agreeable location in California. This provision shall also apply to any subcontract under this Agreement and to any contract between a subcontractor and related organizations of the subcontractor, and to their books, documents and records. The City acknowledges its duties and responsibilities regarding such records under such statutes and regulations.

d. The City owns all records of persons receiving Services and all fiscal records funded by this Agreement if Contractor goes out of business. Contractor shall immediately transfer possession of all these records if Contractor goes out of business. If this Agreement is terminated by either party, or expires, records shall be submitted to the City upon request.

e. All of the reports, information, and other materials prepared or assembled by Contractor under this Agreement shall be submitted to the Department of Public Health Contract Administrator and shall not be divulged by Contractor to any other person or entity without the prior written permission of the Contract Administrator listed in Appendix A.

## 25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To CITY:	Office of Contract Management and Compliance Department of Public Health 1380 Howard Street, 4 <sup>th</sup> Floor San Francisco, California 94103	FAX: (415) 252-3088 e-mail: David.Folmar@sfdph.org
And:	Elizabeth Gray Community Behavioral Health Services 1380 Howard Street, 5 <sup>th</sup> Floor San Francisco, Ca 94103	FAX: (415) 255-3657 e-mail: <a href="mailto:Elizabeth.Gray@sfdph.org">Elizabeth.Gray@sfdph.org</a>
To CONTRACTOR:	Mental Health Management Inc., dba Canyon Manor	

655 Canyon Rd  
Novato, CA 94948

FAX: (415) 892-8624  
e-mail: REvatzCanyonM@aol.com

Any notice of default must be sent by registered mail.

## **26. Ownership of Results**

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

## **27. Works for Hire**

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

## **28. Audit and Inspection of Records**

a. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

b. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report and the associated management letter(s) shall be transmitted to the Director of Public Health or his /her designee within one hundred eighty (180) calendar days following Contractor's fiscal year end date. If Contractor expends \$500,000 or more in Federal funding per year, from any and all Federal awards, said audit shall be conducted in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Said requirements can be found at the following website address: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. If Contractor expends less than \$500,000 a year in Federal awards, Contractor is exempt from the single audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal Agency, pass-through entity and General Accounting Office. Contractor agrees to reimburse the City any cost adjustments necessitated by this audit report. Any audit report which addresses all or part of the period covered by this Agreement shall treat the service components identified in the detailed descriptions attached to Appendix A and referred to in the Program Budgets of Appendix B as discrete program entities of the Contractor.

c. The Director of Public Health or his / her designee may approve of a waiver of the aforementioned audit requirement if the contractual Services are of a consulting or personal services nature, these Services are paid for through fee for service terms which limit the City's risk with such contracts, and it is determined that the work associated with the audit would produce undue burdens or costs and would provide minimal benefits. A written request for a waiver must be submitted to the DIRECTOR ninety (90) calendar days before the end of the Agreement term or Contractor's fiscal year, whichever comes first.

d. Any financial adjustments necessitated by this audit report shall be made by Contractor to the City. If Contractor is under contract to the City, the adjustment may be made in the next subsequent billing by Contractor to the City, or may be made by another written schedule determined solely by the City. In the event Contractor is not under contract to the City, written arrangements shall be made for audit adjustments.

**29. Subcontracting**

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

**30. Assignment**

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

**31. Non-Waiver of Rights**

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

**32. Earned Income Credit (EIC) Forms**

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

### **33. Local Business Enterprise Utilization; Liquidated Damages**

#### **a. The LBE Ordinance**

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

#### **b. Compliance and Enforcement**

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

### **34. Nondiscrimination; Penalties**

#### **a. Contractor Shall Not Discriminate**

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

#### **b. Subcontracts**

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall

require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

**c. Nondiscrimination in Benefits**

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

**d. Condition to Contract**

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

**e. Incorporation of Administrative Code Provisions by Reference**

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

**35. MacBride Principles—Northern Ireland**

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

**36. Tropical Hardwood and Virgin Redwood Ban**

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**37. Drug-Free Workplace Policy**

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

### **38. Resource Conservation**

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

### **39. Compliance with Americans with Disabilities Act**

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

### **40. Sunshine Ordinance**

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

### **41. Public Access to Meetings and Records**

If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

### **42. Limitations on Contributions**

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson,

chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

#### **43. Requiring Minimum Compensation for Covered Employees**

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.



i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

#### 44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q:

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

#### **45. First Source Hiring Program**

##### **a. Incorporation of Administrative Code Provisions by Reference**

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

##### **b. First Source Hiring Agreement**

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified

economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

**c. Hiring Decisions**

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

**d. Exceptions**

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

**e. Liquidated Damages**

Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an

entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

#### **f. Subcontracts**

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

#### **46. Prohibition on Political Activity with City Funds**

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the

event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

**47. Preservative-treated Wood Containing Arsenic**

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**48. Modification of Agreement**

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. CONTRACTOR shall cooperate with Department of Public Health to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than twenty percent 20% (HRC Contract Modification Form).

**49. Administrative Remedy for Agreement Interpretation -- DELETED by mutual agreement of the parties**

**50. Agreement Made in California; Venue**

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**51. Construction**

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

**52. Entire Agreement**

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

**53. Compliance with Laws**

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

#### **54. Services Provided by Attorneys**

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

#### **55. Supervision of Minors**

Contractor, and any subcontractors, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Contractor, or any subcontractor, in which he or she would have supervisory or disciplinary power over a minor under his or her care.

If Contractor, or any subcontractor, is providing services at a City park, playground, recreational center or beach (separately and collectively, "Recreational Site"), Contractor shall not hire, and shall prevent its subcontractors from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3).

If Contractor, or any of its subcontractors, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Contractor shall comply, and cause its subcontractors to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Contractor shall provide, or cause its subcontractors to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian.

Contractor shall expressly require any of its subcontractors with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subcontractor.

Contractor acknowledges and agrees that failure by Contractor or any of its subcontractors to comply with any provision of this section of the Agreement shall constitute an Event of Default. Contractor further acknowledges and agrees that such Event of Default shall be grounds for the City to terminate the Agreement, partially or in its entirety, to recover from Contractor any amounts paid under this Agreement, and to withhold any future payments to Contractor. The remedies provided in this Section shall not limited any other remedy available to the City hereunder, or in equity or law for an Event of Default, and each remedy may be exercised individually or in combination with any other available remedy. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

#### **56. Severability**

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

#### **57. Protection of Private Information**

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

#### **58. Graffiti Removal**

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

#### **59. Food Service Waste Reduction Requirements**

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

60. Left blank by agreement of the parties. (Slavery era disclosure)

61. Dispute Resolution Procedure-N/A

62. Additional Terms

Additional Terms are attached hereto as Appendix D and are incorporated into this Agreement by reference as though fully set forth herein.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Mental Health Management Inc., dba Canyon Manor

Robert Katz M.D. to MK 10/02/08  
MITCHELL H. KATZ, M.D. / Date  
Director of Health

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

By: [Signature] 12-8-08 / Date  
Deputy City Attorney

[Signature] 10/1/08 / Date  
RICHARD EVATZ  
Executive Director  
655 Canyon Rd  
Novato, CA, 94948

Approved:

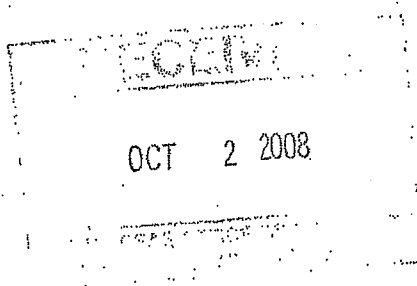
[Signature]  
NAOMI KELLY / Date  
Director Office of Contract  
Administration and Purchaser

City vendor number: 12323

The Appendices listed below and attached hereto are incorporated into this Agreement by reference as though fully set forth herein.

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Reserved
- D: Additional Terms
- E: HIPAA Business Associate Agreement
- F: Invoice
- G: Privacy Policy Compliance Standards
- H: Emergency Response



## Appendix A

### COMMUNITY BEHAVIORAL HEALTH SERVICES

The following requirements are incorporated into Appendix A, as provided in this Agreement under Section 4. SERVICES.

A. Contract Administrator:

In performing the SERVICES hereunder, CONTRACTOR shall report to Elizabeth Gray, Contract Administrator for the CITY, or her designee.

B. Reports:

(1) CONTRACTOR shall submit written reports as requested by the CITY. The format for the content of such reports shall be determined by the CITY. The timely submission of all reports is a necessary and material term and condition of this Agreement. All reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

(2) CONTRACTOR agrees to submit to the Director of Public Health or his designated agent (hereinafter referred to as "DIRECTOR") the following reports: Annual County Plan Data; Utilization Review Data and Quarterly Reports of De-certifications; Peer Review Plan, Quarterly Reports, and relevant Peer Review data; Medication Monitoring Plan and relevant Medication Monitoring data; Charting Requirements, Client Satisfaction Data, Program Outcome Data, and Data necessary for producing bills and/or claims in conformance with the State of California Uniform Method for Determining Ability to Pay (UMDAP; the state's sliding fee scale) procedures.

C. Evaluation:

CONTRACTOR shall participate as requested with the CITY, State and/or Federal government in evaluative studies designed to show the effectiveness of CONTRACTOR'S SERVICES. CONTRACTOR agrees to meet the requirements of and participate in the evaluation program and management information systems of the CITY. The CITY agrees that any final written reports generated through the evaluation program shall be made available to CONTRACTOR within thirty (30) working days. CONTRACTOR may submit a written response within thirty working days of receipt of any evaluation report and such response will become part of the official report.

D. Possession of Licenses/Permits:

CONTRACTOR warrants the possession of all licenses and/or permits required by the laws and regulations of the United States, the State of California, and the CITY to provide the SERVICES. Failure to maintain these licenses and permits shall constitute a material breach of this Agreement.

Space owned, leased or operated by providers, including satellites, and used for SERVICES or staff shall meet local fire codes. Documentation of fire safety inspections and corrections of any deficiencies shall be made available to reviewers upon request.

E. Adequate Resources:

CONTRACTOR agrees that it has secured or shall secure at its own expense all persons, employees and equipment required to perform the SERVICES required under this Agreement, and that all such SERVICES shall be performed by CONTRACTOR, or under CONTRACTOR'S supervision, by persons authorized by law to perform such SERVICES.

F. Admission Policy:

Admission policies for the SERVICES shall be in writing and available to the public. Such policies must include a provision that clients are accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or AIDS/HIV status, except to the extent that the SERVICES are to be rendered to a specific population as described in Appendix A.

CONTRACTOR shall adhere to Title XIX of the Social Security Act and shall conform to all applicable Federal and State statutes and regulations. CONTRACTOR shall ensure that all clients will receive the same level of care regardless of client status or source of reimbursement when SERVICES are to be rendered.

G. San Francisco Residents Only:

Only San Francisco residents shall be treated under the terms of this Agreement. Exceptions must have the written approval of the Contract Administrator.

H. Grievance Procedure:

CONTRACTOR agrees to establish and maintain a written Client Grievance Procedure which shall include the following elements as well as others that may be appropriate to the SERVICES: (1) the name or title of the person or persons authorized to make a determination regarding the grievance; (2) the opportunity for the aggrieved party to discuss the grievance with those who will be making the determination; and (3) the right of a client dissatisfied with the decision to ask for a review and recommendation from the community advisory board or planning council that has purview over the aggrieved service. CONTRACTOR shall provide a copy of this procedure, and any amendments thereto, to each client and to the Director of Public Health or his/her designated agent (hereinafter referred to as "DIRECTOR"). Those clients who do not receive direct SERVICES will be provided a copy of this procedure upon request.

I. Infection Control, Health and Safety:

(1) CONTRACTOR must have a Bloodborne Pathogen (BBP) Exposure Control plan as defined in the California Code of Regulations, Title 8, §5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and record keeping.

(2) CONTRACTOR must demonstrate personnel policies/procedures for protection of staff and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.

(3) CONTRACTOR must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.

(4) CONTRACTOR is responsible for site conditions, equipment, health and safety of their employees, and all other persons who work or visit the job site.

(5) CONTRACTOR shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.

(6) CONTRACTOR shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.

(7) CONTRACTOR assumes responsibility for procuring all medical equipment and supplies for use by their staff, including safe needle devices, and provides and documents all appropriate training.

(8) CONTRACTOR shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

J. Acknowledgment of Funding:

CONTRACTOR agrees to acknowledge the San Francisco Department of Public Health in any printed material or public announcement describing the San Francisco Department of Public Health-funded SERVICES. Such documents or announcements shall contain a credit substantially as follows: "This program/service/activity/research project was funded through the Department of Public Health, CITY and County of San Francisco."

K. Client Fees and Third Party Revenue:

(1) Fees required by federal, state or CITY laws or regulations to be billed to the client, client's family, or insurance company, shall be determined in accordance with the client's ability to pay and in conformance with all applicable laws. Such fees shall approximate actual cost. No additional fees may be charged to the client or the client's family for the SERVICES. Inability to pay shall not be the basis for denial of any SERVICES provided under this Agreement.

(2) CONTRACTOR agrees that revenues or fees received by CONTRACTOR related to SERVICES performed and materials developed or distributed with funding under this Agreement shall be used to increase the gross program funding such that a greater number of persons may receive SERVICES. Accordingly, these revenues and fees shall not be deducted by CONTRACTOR from its billing to the CITY.

(3) CONTRACTOR agrees that funds received by CONTRACTOR from a source other than the CITY to defray any portion of the reimbursable costs allowable under this Agreement shall be reported to the CITY and deducted by CONTRACTOR from its billings to the CITY to ensure that no portion of the CITY'S reimbursement to CONTRACTOR is duplicated.

L. Billing and Information System

CONTRACTOR agrees to participate in the CITY'S Community Mental Health Services (CMHS) and Community Substance Abuse Services (CSAS) Billing and Information System (BIS) and to follow data reporting procedures set forth by the CMHS/CSAS BIS and Quality Improvement Units.

M. Patients Rights:

All applicable Patients Rights laws and procedures shall be implemented.

N. Under-Utilization Reports:

For any quarter that CONTRACTOR maintains less than ninety percent (90%) of the total agreed upon units of service for any mode of service hereunder, CONTRACTOR shall immediately notify the Contract Administrator in writing and shall specify the number of underutilized units of service.

O. Quality Improvement:

CONTRACTOR agrees to develop and implement a Quality Improvement Plan based on internal standards established by CONTRACTOR applicable to the SERVICES as follows:

- (1) Staff evaluations completed on an annual basis.
- (2) Personnel policies and procedures in place, reviewed and updated annually.
- (3) Board Review of Quality Improvement Plan.

P.. Compliance with Community Mental Health Services and Community Substance Abuse Services Policies and Procedures

In the provision of SERVICES under Community Mental Health Services or Community Substance Abuse Services contracts, CONTRACTOR shall follow all applicable policies and procedures established for contractors by Community Mental Health Services or Community Substance Abuse Services, as applicable, and shall keep itself duly informed of such policies. Lack of knowledge of such policies and procedures shall not be an allowable reason for noncompliance.

Q. Working Trial Balance with Year-End Cost Report

If CONTRACTOR is a Non-Hospital Provider as defined in the State of California Department of Mental Health Cost Reporting Data Collection Manual, it agrees to submit a working trial balance with the year-end cost report.

R. Harm Reduction

The program has a written internal Harm Reduction Policy that includes the guiding principles per Resolution # 10-00 810611 of the San Francisco Department of Public Health Commission.

**2. Description of Services**

Detailed description of services are listed below and are attached hereto

Appendix A-1 Canyon Manor

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** FY2008/09

**Contract Term:**  
07/01/08 through 6/30/09

## 1. Program Name

Mental Health Management I, Inc.  
dba. Canyon Manor  
655 and 653 Canyon Road, P.O. Box 865  
Novato, CA 94948-0865  
(415) 892-1628 --Telephone  
(415) 892-8624 - Facsimile

## 2. Nature of Document

This is a renewal contract for fiscal year 2008-2009.

☐ New      ☒ Renewal      ☐ Modification

## 3. Goal Statement

The overall program goal at Canyon Manor is to maximize each individual's functional capacity by providing integrated services, fostering self-care and return to the highest level of independent living possible in the community.

## 4. Target Population

San Francisco residents admitted to Canyon Manor will be 18 years to 60 years of age and have an Axis I DSM-IV psychiatric diagnosis.

## 5. Modality (ies) of Service/Intervention

- A. **Modality of Service/Intervention.** Please refer to CRDC.
- B. **Definition of Billable Services.** Institution for "Mental Disease" means a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care of persons with mental illness, including medical attention, nursing care, and related services.

Contractor: Mental Health Management I, Inc.

Contract Term:

Program: Canyon Manor

07/01/08 through 6/30/09

City Fiscal Year: FY2008/09

## 6. Methodology

### Admission Process

Individuals admitted to Canyon Manor licensed as a MHRC will focus primarily on those with behavior management issues. However, as the MHRC license allows, individuals may also be admitted who have concomitant medical problems and/or have physical impairments requiring special needs that might include the use of a wheelchair, walker, or cane; individuals admitted to Canyon may also have vision and/or hearing loss, or speech impediment. Canyon Manor will primarily admit San Francisco residents directly from acute psychiatric inpatient units.

The Director of CBHS Placement will authorize referrals to Canyon Manor into contracted beds. All such referrals will have been approved for locked psychiatric MHRC level of care by the Director of CBHS Placement or designee.

Each San Francisco resident admitted to Canyon Manor into a contract bed will be reviewed every thirty (30) days by the CBHS Utilization Review Nurse, who will monitor on-going treatment and progress toward treatment goals including discharge as soon as clinically appropriate.

Individuals who suffer exclusively from developmental disability, mental retardation, dementia, or physical illness without a psychiatric component will not be considered for admission to Canyon Manor.

If a San Francisco resident on voluntary status or a private conservatee is referred by the Placement Program to Canyon Manor, an addendum to the admission agreement will be signed by private conservator or voluntary resident *in advance of admission* indicating that voluntary individual or private conservator will comply with CBHS' utilization management decisions regarding the individual's readiness to move to a lower level of care.

### Admission Expectations

The CBHS Placement Director will be informed of the decision whether to admit or not admit within 72 hours of receipt of the referral packet.

The center's physician "Initial Assessment and Treatment Plan" must consist of the following components and be signed by the attending psychiatrist/physician within five (5) business days of admission, and the facility shall send a copy of the "Treatment Plan" to the conservator and CBHS UR nurse within fourteen (14) calendar days:

## Appendix A-1

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** FY2008/09

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1. A 5-Axis DSM-IV diagnosis
2. Signs and symptoms of psychiatric impairment and any pre-existing medical conditions.
3. Long and short-term goals that are based on individual resident capabilities and that are realistically attainable by client.
4. Measurable objectives with specific time frames with special emphasis on medication regimen.
5. Special treatment and interventions and services with identification of the professional discipline responsible for each element of care.
6. Estimated duration of treatment and continuously updated progress notes reflecting justification for continued stay and identification of obstacles to community placement.
7. Prognosis.
8. Dated legible physician notes and signature.
9. Specification of drug regimen or no drug regimen.
10. Evidence of communication with client's former physician upon admission and with client's future physician upon discharge.

Admission and documentation will include the following:

1. A non-psychiatrist physician must perform a history and physical examination within seventy-two (72) hours of client's admission.
2. Physician must provide reason for deferment of either the physical examination or any process within the examination. Attempts to complete a physical examination must be documented weekly. If, after fourteen days (14), these attempts are not successful, the client's conservator must be contacted to arrange a court date so that the court can mandate the necessary care.
3. The center shall obtain a copy of the conservator's investigation report and this report shall be present in the legal section of the client record.
4. The following demographic data will be collected for the purpose of conducting treatment and outcome evaluations: sex, age, race, marital status, legal status, psychiatric diagnosis, and primary language. In addition, the center will record information about the client's previous placement, prior hospitalizations, and reason for current hospitalization.

### Ongoing Expectations

Center will provide:

1. Annual physical examination
2. Annual update regarding medication consents (with witness signatures).
3. Documentation in client's record the center's follow-up care regarding dental and eye care in addition to any necessary medical care.
4. Transportation and escort for clinic visits when necessary.
5. Adherence to all protocols regarding conserved clients, including issues of client refusal of medications.
6. Dictations or treatment services. In the case of conserved clients refusing laboratory tests,



## Appendix A-1

**Contractor:** Mental Health Management I, Inc.

**Contract Term:**

**Program:** Canyon Manor

**07/01/08 through 6/30/09**

**City Fiscal Year:** FY2008/09

the center may negotiate with San Francisco General Hospital for recommended tests to be done there provided there is a court order for the clients to receive such tests.

7. Assistance and cooperation in efforts to obtain client entitlements. The center will collect, document and report to the County the SSI, VA and other third party payments
8. Participate fully in the County's Billing and Data Collection system regarding entitlements.
9. Submit to San Francisco CBHS Billing Office, monthly invoices per the agreement with San Francisco Billing Office. Invoice attachments will include specific to each center:
  - a. client's last name
  - b. first name
  - c. units of service provided for that quarter.
  - d. rate per UOS

San FRANCISCO CBHS will make payment adjustments quarterly for any client not authorized for treatment.

10. Attending psychiatrists court testimony when required and following conditions must be met:
  - a. Be fully prepared, i.e., review client chart prior to proceedings
  - b. Appear on time and sit through the hearing process in order to provide expert testimony in client's case
  - c. In case of inability to attend, sufficient notice must be given by the psychiatrist. If time does not permit mailing notice, then the notice must be faxed to the mental health court.

### **Progress notes shall reflect the following:**

**Psychiatrists:** the attending psychiatrist must make a note at least every thirty- (30) days that addresses:

1. Client's current level of functioning, addressing all 5 Axis
2. Description of client's behaviors that present as an obstacle to discharge.
3. Behavioral assessment of current behavioral barriers effecting discharge potential
4. Documentation to support significant changes in functioning level, progress/regression.
5. Specific justification as to why resident needs to remain at current level of care.
6. Document current dose of medication(s).
7. Client's response to medication(s).
8. Client's compliance with medication(s).
9. Client's use of PRN medication.
10. Notes shall reflect physician's use of laboratory results to determine adjustment to medication(s).
11. There shall be evidence of a monthly assessment and update regarding PRN psychotropic medication.

## Appendix A-1

**Contractor:** Mental Health Management I, Inc.

**Contract Term:**

**Program:** Canyon Manor

**07/01/08 through 6/30/09**

**City Fiscal Year:** FY2008/09

**Nursing Staff:** Nursing staff must make a note at least every seven- (7) days that addresses:

1. Nursing management of the client specific to problems identified in the client's treatment plan.
2. Areas of the client's ADL's requiring nursing intervention and frequency of that intervention.

### **Program Staff:**

1. Client's attendance and participation in MHRC's program will be documented in client's chart.
2. Client will receive at least weekly individual sessions with group leader to discuss goals and progress.

### **Discharge Expectations:**

Social work documentation shall begin at point of admission with updates based on evaluation of client's functional capacity. Documentation shall be relevant to client's treatment goals and plans. Barriers to discharge will be identified and interventions that will address and/or resolve those barriers will be documented.

CBHS Linkage Staff, working in the Placement Program, and SPR staff will interface on a regular basis with Canyon Manor social services staff regarding the discharge readiness of clients.

When requested to make a client ready for discharge or transfer, the center will prepare all paperwork for client discharge and make all arrangements within five (5) working days of receipt of written or verbal request from conservator, CBHS Linkage/Placement staff, or SPR staff.

Canyon Manor will notify Director of CBHS Placement or his/her designee by fax or telephone on the day of discharge of any San Francisco resident.

Canyon Manor will send medication and prescription information with client upon discharge.

### **Need for Acute Hospitalization**

In the event that the Canyon Manor staff determines that a San Francisco resident should return to the acute hospital sector, the following procedures will be observed:

1. Emergency returns during working hours, Monday-Friday: refer to Psychiatric Emergency Return of San Francisco Residents Placed in out-of-county L-facilities (Manual No 3.03.3).
2. Non-emergency returns: an authorization is necessary from the Director of CBHS Placement or his/her designee.
3. Off-hour emergency returns: The CBHS Placement Director must be notified on the next working day of any emergency returns made during non-business hours.

**Appendix A-1**

**Contractor:** Mental Health Management I, Inc.

**Contract Term:**

**Program:** Canyon Manor

**07/01/08 through 6/30/09**

**City Fiscal Year:** FY2008/09

4. The bed of any client referred to the acute hospital will be held for seven (7) days pending his/her return. Bed may be held longer with authorization from Placement Director.

**County Payment for Physician Services**

The County will authorize payment of services rendered by physicians when itemized bills, which identify the client(s) served, are submitted to the County. All bills for court testimony; administrative meeting and utilization review meetings must specify name of client and duration of meeting in minutes.

The County reserves the right to interview and approve all physicians who are applying to assume responsibility for County residents, and the center must provide notice to County in a timely manner regarding and physician resignations.

**7. Objectives and Measurements**

**A. Performance/ Outcome Objectives**

**OUTCOME A: IMPROVE CLIENT SYMPTOMS**

**Objective A.1: Reduce Psychiatric Symptoms**

**A.2.c. During this Fiscal Year, Canyon Manor will not return more than four (4) San Francisco residents per month to PES.**

Data Source: An advance notification to the Placement Director of each situation involving a return to PES and the Center maintained log of all clients who return to PES.

Measurement: The Placement Director will be notified in advance of each situation involving a return to PES. The Canyon Manor Program Director will maintain a log of all clients returned to PES. Canyon Manor Program Director will analyze the data and if necessary make any program adjustments in order to maintain, achieve the objective for the next quarter. Canyon Manor Program Director will submit a log with the above information every three months (Oct 10, Jan 10, Apr 10, Jul 10) to San Francisco Program Manager

**OUTCOME B: IMPROVE CLIENT FUNCTIONING**

**C. OTHER MEASURABLE OBJECTIVES/PROCESS OBJECTIVES**

**Objective 2 Reliance on Institutions**

**Appendix A-1**

**Contractor:** Mental Health Management I, Inc.  
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**C.2.a Any client returned to PES or SFGH for acute treatment will be readmitted to the center when the client no longer meets the medical necessity criteria for acute inpatient according to Title IX. The referring center will accept the client back in a time frame that does not require more than two administrative days (weekends and holidays excluded). (D.3.a)**

Data Source: Log maintained by Placement Staff and Client Flow database.

Program Review Measurement:

Objective will be evaluated based on administration closest to or within the 12-month period from July 1, 2008 to June 30, 2009.

Measurement: Canyon Manor Program Director will review log and analyze quarterly and take any needed action if objective is not met.

**Objective 3. Quality of Care**

**C.3.a Program will ensure that a Continuous Quality Improvement (CQI) process is in place that focuses on the center's utilization management, including length of stay. Individual center's medical staff will participate in a peer review process and peer review activities that will be reported quarterly. Each center will participate in quality of care (critical incident) conferences involving San Francisco residents.**

Data Source: Canyon Manor Program Director will submit CQI reports to CBHS addressing the three items above to the CBHS Program Manager on a quarterly basis.

Program Review Measurement:

Objective will be evaluated based on 12-months period from July 1, 2008 to June 30, 2009

Measurement: Canyon Manor Program Director will review and analyze CQI reports to CBHS on a quarterly basis to ensure that all three items mentioned above are contained in the reports.

**Objective 6: Client Satisfaction**

**C.6.b During Fiscal Year 2008-09, at least 100% of unduplicated clients who received a face-to-face billable service during this survey period will be given and encouraged to complete a City-wide Client Satisfaction Survey.**

## Appendix A-1

**Contractor:** Mental Health Management I, Inc.  
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Data Source: Program Tracking Sheet and Program Self Report

### Program Review Measurement:

Objective will be evaluated based on the survey administration closest to the 12-month period from July 1, 2008 to June 30, 2009.

Measurement: Canyon Manor Program Director will insure that Administrative Staff follow the proper procedures in order to capture the most unduplicated clients in attendance at Canyon Manor on the targeted survey days by interviewing the staff involved. Also, he will review and analyze data provided by San Francisco CBHS. If objective is not met he will adjust procedures/program for next year's Client Satisfaction Survey days in order to achieve compliance.

## **D. Continuous Quality Improvement, Program Productivity and Service Access**

### **Objective 6. Cultural Competency**

**D.6.a. Working with their CBHS program managers, programs will develop three (3) mutually agreed upon opportunities for improvement under their 2008 Cultural Competency Reports and report out on the identified program-specific opportunities for improvement and progress toward these improvements by September 20, 2008. Reports should be sent to both program managers and the DPH/EEO.**

Data Source: Program managers will review progress utilizing the DPH Cultural Competency Report Evaluation Tool.

Program Review Management: Objective will be evaluated quarterly during the 12-month period from July 1, 2008 to June 30, 2009. Only the summaries from the two first quarterly meetings held by March 2009 will be included in the program review.

Measurement: Program Director will submit the evaluation of the objective in the Cultural Competency Report for review. If objective not met, plan will be generated to meet objective in the next 12 month period.

## **8. Continuous Quality Improvement**

Centers shall maintain a regularly scheduled Continuous Quality Improvement Committee and extend an invitation to the County to attend as needed to facilitate the exchange of information. Committee membership shall consist of the following staff: one attending psychiatrist or Medical Director, Director of Nurses, Director of Program, and Social Worker. Attendance shall be documented and submitted as part of regular reports to the County.

## Appendix A-1

**Contractor:** Mental Health Management I, Inc.

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Canyon Manor's CQI/QA committee shall determine the types of CQI/QA activities, including monitoring and evaluation to be employed at Canyon Manor and shall approve the CQI/QA calendar, assuring that the activities selected cover all types of services and all categories of care rendered in Canyon Manor and that they are effective.

Canyon Manor's CQI/QA committee shall also be responsible for assuring that activities are directed toward the continuous improvement of care, that written indicators and thresholds for evaluation are developed and applied, that appropriate actions are implemented to eliminate or reduce identified problems or otherwise improve care to the greatest degree reasonably possible, that such corrective action has been adequate by subsequent monitoring and that the effectiveness of Canyon Manor's monitoring and evaluation and other CQI/QA activities are reappraised at least annually.

The individual committee and departments will be responsible for monitoring and evaluation of the client care they provide. Activities shall be coordinated through the CQI/QA Coordinator, and findings shall be reported to the CQI/QA committee. Every effort shall be made to keep all CQI/QA information and activities confidential, except where prohibited by law.

Reports will be submitted by each applicable committee or department according to the CQI/QA calendar for that year. Each year's calendar shall include, but not be limited to, ongoing monitoring and evaluation of the quality and appropriateness of care in the following services:

1. Client's Assessment and Treatment Process.
2. Client Care
3. Dietetic Care
4. Drug Usage
5. Medical Care
6. Nursing Care
7. Oral Health Care
8. Rehabilitation Care
9. Social Services
10. Cultural Competence

Because of limited and shrinking mental health resources, coupled with the need to immediately serve many acute clients coming in the front door, the program will consistently apply utilization review and discharge/exit criteria to alleviate increasing caseload pressure.

Canyon Manor Program services are in accord with the San Francisco Mental Health Plan Mission Statement and system goals and values. Canyon Manor agrees to comply with Health Commission, Local, State, Federal and/or Funding Source policies and requirements such as Harm Reduction,

**Appendix A-1**

**Contractor:** Mental Health Management I, Inc.

**Contract Term:**

**Program:** Canyon Manor

**07/01/08 through 6/30/09**

**City Fiscal Year:** FY2008/09

Health Insurance Portability and Accountability Act (HIPAA), Cultural Competency, and Client Satisfaction. We continue to review and improve on an ongoing basis our Wellness & Recovery model in conjunction with our collateral contracts.

**Appendix B**  
**Calculation of Charges**

**1. Method of Payment**

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those appendices which include General Fund monies.

(1) Fee For Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

(2) Cost Reimbursement (Monthly Reimbursement for Actual Expenditures within Budget:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month for reimbursement of the actual costs for SERVICES of the preceding month. All costs associated with the SERVICES shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

**B. Final Closing Invoice**

(1) Fee For Service Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

(2) Cost Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

D. Upon execution of this Agreement, contingent upon prior approval by the CITY'S Department of Public Health of each year's revised Appendix A (Description of Services) and each year's revised Appendix B (Cost Reporting Data Collection Form), and within each fiscal year, the CITY agrees to make an initial payment to



payment to CONTRACTOR not to exceed twenty-five per cent (25%) of the General Fund portion of the CONTRACTOR'S allocation for the applicable fiscal year.

CONTRACTOR agrees that within that fiscal year, this initial payment shall be recovered by the CITY through a reduction to monthly payments to CONTRACTOR during the period of October 1 through March 31 of the applicable fiscal year, unless and until CONTRACTOR chooses to return to the CITY all or part of the initial payment for that fiscal year. The amount of the initial payment recovered each month shall be calculated by dividing the total initial payment for the fiscal year by the total number of months for recovery. Any termination of this Agreement, whether for cause or for convenience, will result in the total outstanding amount of the initial payment for that fiscal year being due and payable to the CITY within thirty (30) calendar days following written notice of termination from the CITY.

## **2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1 Mental Health Management, Inc., dba Canyon Manor Cost Report Data Collection (CRDC) Form

### **B. COMPENSATION**

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Cost Reporting/Data Collection (CR/DC) and Program Budget, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed Twenty Million Nine Hundred Ninety Six Thousand, Seventy Hundred Fifty Eight Dollars (\$20,996,758) for the period of October 1, 2008 through June 30, 2013.

CONTRACTOR understands that, of this maximum dollar obligation, \$2,246,438 is included as a contingency amount and is neither to be used in Appendix B, Budget, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Budget, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of Services, and a revised Appendix B, Cost Reporting Data Collection form, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these appendices in compliance with the instructions of the Department of Public Health. These appendices shall apply only to the fiscal year for which they were created. These appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Budget and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Budget and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Cost Reporting Data Collection form, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

October 1, 2008 through June 30, 2009	\$2,955,840
July 1, 2009 through June 30, 2010	\$3,941,120
July 1, 2010 through June 30, 2011	\$3,941,120
July 1, 2011 through June 30, 2012	\$3,941,120
July 1, 2012 through June 30, 2013	<u>\$3,941,120</u>
July 1, 2008 through June 30, 2013	\$18,720,320

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.



**Appendix C**

**RESERVED**

**THIS PAGE IS LEFT BLANK AND IS NOT BEING USED**

**Appendix D  
Additional Terms**

**1. HIPAA**

The parties acknowledge that CITY is a Covered Entity as defined in the Healthcare Insurance Portability and Accountability Act of 1996 ("HIPAA") and is therefore required to abide by the Privacy Rule contained therein. The parties further agree that CONTRACTOR falls within the following definition under the HIPAA regulations:

- ☐ A Covered Entity subject to HIPAA and the Privacy Rule contained therein; or
- ☒ A Business Associate subject to the terms set forth in Appendix E;
- ☐ Not Applicable, CONTRACTOR will not have access to Protected Health Information.

**2. THIRD PARTY BENEFICIARIES**

No third parties are intended by the parties hereto to be third party beneficiaries under this Agreement, and no action to enforce the terms of this Agreement may be brought against either party by any person who is not a party hereto.

**3. CERTIFICATION REGARDING LOBBYING**

*CONTRACTOR certifies to the best of its knowledge and belief that:*

A. No federally appropriated funds have been paid or will be paid, by or on behalf of CONTRACTOR to any persons for influencing or attempting to influence an officer or an 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 the awarding of any federal contract, the making of any federal grant, the entering into of any federal cooperative agreement, or the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan or cooperative agreement.

B. If any funds other than federally appropriated funds have been paid or will be paid to any persons 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 this federal contract, grant, loan or cooperative agreement, CONTRACTOR shall complete and submit Standard Form -111, "Disclosure Form to Report Lobbying," in accordance with the form's instructions.

C. CONTRACTOR shall require the language of this certification be included in the award documents for all subawards at all tiers, (including subcontracts, subgrants, and contracts under grants, loans and cooperation agreements) and that all subrecipients shall certify and disclose accordingly.

D. 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. Code. 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.

**4. MATERIALS REVIEW**

CONTRACTOR agrees that all materials, including without limitation print, audio, video, and electronic materials, developed, produced, or distributed by personnel or with funding under this Agreement shall be subject to review and approval by the Contract Administrator prior to such production, development or distribution. CONTRACTOR agrees to provide such materials sufficiently in advance of any deadlines to allow for adequate review. CITY agrees to conduct the review in a manner which does not impose unreasonable delays on CONTRACTOR'S work, which may include review by members of target communities.

**Appendix E**  
**HIPAA BUSINESS ASSOCIATE ADDENDUM**

This Appendix contains requirements set forth in the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public Law 104-191 and the regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws. The City and County of San Francisco, referred to in this agreement as CITY, is the Covered Entity and is referred to below as CE. The CONTRACTOR is the Business Associate, and is referred to below as Associate. The agreement between CITY and CONTRACTOR to which this Addendum is attached is referred to in this Addendum as the Contract.

This HIPAA Business Associate Addendum ("Addendum") supplements and is made a part of the contract ("Contract") by and between Covered Entity ("CE") and Business Associate ("Associate"), [and is effective as of April 14, 2003 for existing contracts and the effective date for future contracts].

**RECITALS**

A. CE wishes to disclose certain information to Associate pursuant to the terms of the Contract, some of which may constitute Protected Health Information ("PHI") (defined below).

B. CE and Associate intend to protect the privacy and provide for the security of PHI disclosed to Associate pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.

C. As part of the HIPAA Regulations, the Privacy Rule (defined below) requires CE to enter into a contract containing specific requirements with Associate prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.502(e) and 164.504(e) of the Code of Federal Regulations ("CFR") and contained in this Addendum.

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

**1. Definitions.**

A. **Business Associate** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103.

B. **Covered Entity** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103.

C. **Data Aggregation** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.

D. **Designated Record Set** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.

E. **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.

F. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 CFR Parts 160 and 164.

G. **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental 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; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501. [45 CFR §§ 160.103 and 164.501]

H. **Protected Information** shall mean PHI provided by CE to Associate or created or received by Associate on CE's behalf.

**2. Obligations of Associate.**

**A. Permitted Uses.** Associate shall not use Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under the Contract and Addendum. Further, Associate shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule if so used by CE except that Associate may use Protected Information (i) for the proper management and administration of Associate, (ii) to carry out the legal responsibilities of Associate, or (iii) for Data Aggregation purposes for the Health Care Operations of CE. [45 CFR §§ 164.504(e)(2)(i), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(i)]

**B. Permitted Disclosures.** Associate shall not disclose Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under the Contract and Addendum or in any manner that would constitute a violation of the Privacy Rule if disclosed by CE, except that Associate may disclose Protected Information (i) for the proper management and administration of Associate; (ii) to carry out the legal responsibilities of Associate; (iii) as required by law, or (iv) for Data Aggregation purposes for the Health Care Operations of CE.

To the extent that Associate discloses Protected Information to a third party, Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) an agreement from such third party to immediately notify Associate of any breaches of confidentiality of the Protected Information, to the extent it has obtained knowledge of such breach. [45 CFR §§ 164.504(e)(2)(i), 164.504(e)(2)(ii)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

**C. Appropriate Safeguards.** Associate shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by this Contract. [45 CFR § 164.504(e)(2)(ii)(B)] Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Associate's operations and the nature and scope of its activities.

**D. Reporting of Improper Use or Disclosure.** Associate shall notify the compliance office of CE in writing of any use or disclosure of Protected Information otherwise than as provided for by the Contract and this Addendum within five (5) days of becoming aware of such use or disclosure. [45 CFR § 164.504(e)(2)(ii)(C)]. Such notice shall be sent to: DPH Compliance Office, 2789 Twenty-fifth Street, San Francisco, CA 94110 or can be sent via e-mail to CHN\_Hotline@chnsf.org.

**E. Associate's Agents.** Associate shall ensure that any agents, including subcontractors, to whom it provides Protected Information, agree in writing to the same restrictions and conditions that apply to Associate with respect to such PHI. [45 CFR § 164.504(e)(2)(D)] Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. (See 45 CFR §§ 164.530(f) and 164.530(e)(1))

**F. Access to Protected Information.** Associate shall make Protected Information maintained by Associate or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR Section 164.524. [45 CFR § 164.504(e)(2)(ii)(E)]

**G. Amendment of PHI.** Within ten (10) days of receipt of a request from CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR Section 164.526. If any individual requests an amendment of Protected Information directly from Associate or its agents or subcontractors, Associate must notify CE in writing within five (5) days of the request. Any approval or denial of amendment of Protected Information maintained by Associate or its agents or subcontractors shall be the responsibility of CE. [45 CFR § 164.504(e)(2)(ii)(F)]

**H. Accounting Rights.** Within ten (10) days of notice by CE of a request for an accounting of disclosures of Protected Information, Associate and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR Section 164.528, as determined by CE. Associate agrees to implement a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years prior to the request, but not before the compliance date of the Privacy Rule. At a minimum,

such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to Associate or its agents or subcontractors, Associate shall within five (5) days of a request forward it to CE in writing. It shall be CE's responsibility to prepare and deliver any such accounting requested. Associate shall not disclose any Protected Information except as set forth in Sections 2.b. of this Addendum. [45 CFR §§ 164.504(e)(2)(ii)(G) and 165.528]

**I. Governmental Access to Records.** Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining Associate's compliance with the Privacy Rule. [45 CFR § 164.504(e)(2)(ii)(H)] Associate shall provide to CE a copy of any Protected Information that Associate provides to the Secretary concurrently with providing such Protected Information to the Secretary.

**J. Minimum Necessary.** Associate (and its agents or subcontractors) shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [45 CFR § 164.514(d)(3)]

**K. Data Ownership.** Associate acknowledges that Associate has no ownership rights with respect to the Protected Information.

**L. Retention of Protected Information.** Notwithstanding Section 3.c of this Addendum, Associate and its subcontractors or agents shall retain all Protected Information throughout the term of the Contract and shall continue to maintain the information required under Section 2.h of this Addendum for a period of six (6) years after termination of the Contract. (See 45 CFR §§ 164.530(j)(2) and 164.526(d).

**M. Notification of Breach.** During the term of this Contract, Associate shall notify the Compliance Office of the CE within twenty-four (24) hours of any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI of which Associate becomes aware and / or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

Notification can occur through use of e-mail or by telephone. The Compliance Office E-mail address is [CHN\\_Hotline@chnsf.org](mailto:CHN_Hotline@chnsf.org) and the telephone numbers are: (415) 642-5790 and (415) 252-3078.

**N. Audits, Inspection and Enforcement Involving the Use of Protected Information.** Within ten (10) days of a written request by CE, Associate and its agents or subcontractors shall allow CE to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Addendum for the purpose of determining whether Associate has complied with this Addendum; provided, however, that (i) Associate and CE shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) CE shall protect the confidentiality of all confidential and proprietary information of Associate to which CE has access during the course of such inspection; and (iii) CE shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by Associate. The fact that CE inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Associate of its responsibility to comply with this Addendum, nor does CE's (i) failure to detect or (ii) detection, but failure to notify Associate or require Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of CE's enforcement rights under this Contract.

### **3. Termination.**

**A. Material Breach.** A breach by Associate of any material provision of this Addendum, as determined by CE, shall constitute a material breach of the Contract and shall provide grounds for immediate termination of the Contract by CE pursuant to Section 20 of the Contract. [45 CFR § 164.504(e)(2)(iii)]

**B. Judicial or Administrative Proceedings.** CE may terminate this Contract, effective immediately, if (i) Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HIPAA Regulations or



other security or privacy laws or (ii) a finding or stipulation that the Associate has violated any standard or requirement of HIPAA, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

**C. Effect of Termination.** Upon termination of this Contract for any reason, Associate shall, at the option of CE, return or destroy all Protected Information that Associate or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, Associate shall continue to extend the protections of Section 2 of this Addendum to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. [45 CFR § 164.504(e)(ii)(2)(I)] If CE elects destruction of the PHI, Associate shall certify in writing to CE that such PHI has been destroyed.

**4. Disclaimer.** CE makes no warranty or representation that compliance by Associate with this Addendum, HIPAA or the HIPAA Regulations will be adequate or satisfactory for Associate's own purposes. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of PHI.

**5. Certification.** To the extent that CE determines that such examination is necessary to comply with CE's legal obligations pursuant to HIPAA relating to certification of its security practices, CE or its authorized agents or contractors, may, at CE's expense examine Associate's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to CE the extent to which Associate's security safeguards comply with HIPAA, the HIPAA Regulations or this Addendum.

**6. Amendment.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Contract 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 Privacy Rule and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from Associate that Associate will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the Privacy Rule or other applicable laws. CE may terminate this Contract upon thirty (30) days written notice in the event (i) Associate does not promptly enter into negotiations to amend this Contract when requested by CE pursuant to this Section or (ii) Associate does not enter into an amendment to this Contract providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the Privacy Rule.

**8. Assistance in Litigation or Administrative Proceedings.** Associate shall make itself, and any subcontractors, employees or agents assisting Associate in the performance of its obligations under this Contract, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the Privacy Rule or other laws relating to security and privacy, except where Associate or its subcontractor, employee or agent is a named adverse party.

**9. No Third Party Beneficiaries.** Nothing express or implied in this Contract is intended to confer, nor shall anything herein confer, upon any person other than CE, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

**10. Effect on Contract.** Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract shall remain in force and effect.

**11. Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA and the Privacy Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the Privacy Rule.

**Appendix F**  
**Invoice**

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR  
FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE**

Appendix F  
PAGE A

Control Number: <span style="border:1px solid black; display:inline-block; width:100px; height:15px;"></span>	INVOICE NUMBER: <span style="border:1px solid black; display:inline-block; width:150px; height:15px; text-align:center;">M01 OC 8</span>
Contractor: Mental Health Management Inc. - Canyon Manor	Ct. Blanket No.: BPHM <span style="border:1px solid black; display:inline-block; width:100px; height:15px; text-align:center;">TBD</span>
Address: 653 Canyon Road, P.O. Box 865, Novato, CA 94948	Ct. PO No.: POHM <span style="border:1px solid black; display:inline-block; width:100px; height:15px; text-align:center;">TBD</span> <div style="float:right; text-align:right;">                     User Cd <span style="border:1px solid black; display:inline-block; width:50px; height:15px; text-align:center;">TBD</span> </div>
Telephone No.: (415) 892-1628 Fax No.: (415) 892-8624	Fund Source: <span style="border:1px solid black; display:inline-block; width:150px; height:15px; text-align:center;">General Fund</span>
Contract Term: 10/1/08 - 06/30/09	Invoice Period: <span style="border:1px solid black; display:inline-block; width:100px; height:15px; text-align:center;">Oct-08</span>
PHP Division: Community Behavioral Health Services	Final Invoice: <span style="border:1px solid black; display:inline-block; width:50px; height:15px;"></span> (Check if Yes)
	ACE Control Number: <span style="border:1px solid black; display:inline-block; width:150px; height:15px;"></span>

Unduplicated Clients for Exhibit:	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC

\*Unduplicated Counts for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (MH Only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UOS	CLIENTS	UOS	CLIENTS			UOS	CLIENTS	UOS	CLIENTS	UOS	CLIENTS
Canyon Manor												
Adult Res 05-36	16,107.00				\$ 214.40	\$ -	0.000		0.00%		16,107.000	
	16,107.00		0.000				0.000		0.00%		16,107.000	

\$ 3,453,340.80

SUBTOTAL AMOUNT DUE \$   
 Less: Initial Payment Recovery   
 (For DPH Use) Other Adjustments   
 NET REIMBURSEMENT \$

NOTES:

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

Send to:  
 DPH Fiscal/Invoice Processing  
 1380 Howard St. - 4th Floor  
 San Francisco, CA 94103

DPH Authorization for Payment

_____ Authorized Signatory	_____ Date
-------------------------------	---------------

## Appendix G

### **San Francisco Department of Public Health Privacy Policy Compliance Standards**

As part of this Agreement, Contractor acknowledges and agrees to comply with the following:

In City's Fiscal Year 2003/04, a DPH Privacy Policy was developed and contractors advised that they would need to comply with this policy as of July 1, 2005.

As of July 1, 2004, contractors were subject to audits to determine their compliance with the DPH Privacy Policy using the six compliance standards listed below. Audit findings and corrective actions identified in City's Fiscal year 2004/05 were to be considered informational, to establish a baseline for the following year.

Beginning in City's Fiscal Year 2005/06, findings of compliance or non-compliance and corrective actions were to be integrated into the contractor's monitoring report.

**Item #1: DPH Privacy Policy is integrated in the program's governing policies and procedures regarding patient privacy and confidentiality.**

As Measured by: Existence of adopted/approved policy and procedure that abides by the rules outlined in the DPH Privacy Policy

**Item #2: All staff who handle patient health information are oriented (new hires) and trained in the program's privacy/confidentiality policies and procedures.**

As Measured by: Documentation showing individual was trained exists

**Item #3: A Privacy Notice that meets the requirements of the Federal Privacy Rule (HIPAA) is written and provided to all patients/clients served in their threshold and other languages. If document is not available in the patient's/client's relevant language, verbal translation is provided.**

As Measured by: Evidence in patient's/client's chart or electronic file that patient was "noticed." (Examples in English, Cantonese, Vietnamese, Tagalog, Spanish, Russian will be provided.)

**Item #4: A Summary of the above Privacy Notice is posted and visible in registration and common areas of treatment facility.**

As Measured by: Presence and visibility of posting in said areas. (Examples in English, Cantonese, Vietnamese, Tagalog, Spanish, Russian will be provided.)

**Item #5: Each disclosure of a patient's/client's health information for purposes other than treatment, payment, or operations is documented.**

As Measured by: Documentation exists.

**Item #6: Authorization for disclosure of a patient's/client's health information is obtained prior to release (1) to providers outside the DPH Safety Net or (2) from a substance abuse program.**

As Measured by: An authorization form that meets the requirements of the Federal Privacy Rule (HIPAA) is signed and in patient's/client's chart/file

## **Appendix H**

### **EMERGENCY RESPONSE**

CONTRACTOR will develop and maintain a Site Specific Emergency Response Plan for its service site. Such plan shall be in compliance with the Emergency Response Plan of the CITY'S Community Mental Health Services (CMHS) and Community Substance Abuse Services (CSAS). The site plan will be updated and submitted annually upon request to the DIRECTOR for review and approval. CONTRACTOR will train all employees regarding the provisions of the plan for their site.

In a declared emergency, CONTRACTOR'S employees shall become emergency workers and participate in the emergency response of the CITY'S CMHS and CSAS.

<b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b>		MENTA-1   05/28/08												
<b>PRODUCER</b> Argo Insurance Brokers, Inc. CA License #0660864 P. O. Box 232017 Pleasant Hill CA 94523-6017 Phone: 925-682-7001 Fax: 925-682-7024		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.												
<b>INSURED</b> Mental Health Management, Inc. Marin County S.A.R.T. Program DBA: Canyon Manor O Properties, Inc. Mr. Richard Evatz 655 Canyon Road Novato CA 94947		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width: 80%;">INSURERS AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> <tr><td>INSURER A: American Empire Surplus Lines</td><td></td></tr> <tr><td>INSURER B:</td><td></td></tr> <tr><td>INSURER C:</td><td></td></tr> <tr><td>INSURER D:</td><td></td></tr> <tr><td>INSURER E:</td><td></td></tr> </table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: American Empire Surplus Lines		INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURERS AFFORDING COVERAGE	NAIC #													
INSURER A: American Empire Surplus Lines														
INSURER B:														
INSURER C:														
INSURER D:														
INSURER E:														

#### COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADD'L LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	<b>GENERAL LIABILITY</b>	8CG36000	06/01/08	06/01/09	EACH OCCURRENCE \$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 5,000
		GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
		<b>AUTOMOBILE LIABILITY</b>				COMBINED SINGLE LIMIT (Ea accident) \$
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
		<input type="checkbox"/> HIRED AUTOS				
		<input type="checkbox"/> NON-OWNED AUTOS				
		<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT \$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
						AUTO ONLY: AGG \$
		<b>EXCESS/UMBRELLA LIABILITY</b>				EACH OCCURRENCE \$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
		<input type="checkbox"/> DEDUCTIBLE				\$
		<input type="checkbox"/> RETENTION \$				\$
		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$
A		<b>Professional Liab</b>	8CG36000	06/01/08	06/01/09	Incident 1,000,000
		\$5,000 Deductible				Aggregate 3,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**

The City and County of San Francisco, its officers, agents & employees are named additional insured's under this policy, but only as respects claims arising out of the activities of the named insured performed under contract with the City & County of San Francisco, as pertains to General Liability.

\* 10 Day Notice of Cancellation for Non-payment of Premium"

<b>CERTIFICATE HOLDER</b>  <div style="text-align: right;">COMMU-1</div> Community Mental Health Services and City & County of San Francisco 1380 Howard Street, Room 443 San Francisco, CA 94103	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
--	--

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/02/08

PRODUCER LIC #0660864 1-925-671-5110  
Argo Insurance Group, Inc.  
2300 Contra Costa Blvd  
Suite 375  
Pleasant Hill, CA 94523

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED  
Mental Health Management, Inc., Mental Health Mgt. I, Inc.  
& Marin County S.A.R.T. Program, Inc. DBA: Canyon Manor  
655 Canyon Road  
Novato, CA 94947

## INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: One Beacon Insurance

INSURER B: Quality Comp Inc.

INSURER C:

INSURER D:

INSURER E:

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		GENERAL LIABILITY				EACH OCCURRENCE \$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$
		CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>				MED EXP (Any one person) \$
						PERSONAL & ADV INJURY \$
						GENERAL AGGREGATE \$
		GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG \$
		POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/>				
A	X	AUTOMOBILE LIABILITY	7100190010000	04/01/08	04/01/09	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
		X ANY AUTO				BODILY INJURY (Per person) \$
		ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
		SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
		HIRED AUTOS				
		NON-OWNED AUTOS				
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
		ANY AUTO				OTHER THAN EA ACC \$
						AUTO ONLY: AGG \$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE \$
		OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/>				AGGREGATE \$
						\$
		DEDUCTIBLE				\$
		RETENTION \$				\$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	0150070405	01/01/08	01/01/09	X WC STATUS-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? X				E.L. EACH ACCIDENT \$1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$1,000,000
		OTHER				E.L. DISEASE - POLICY LIMIT \$1,000,000

## DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The City & County of San Francisco, its officers, agents & employees are considered to be insureds under this policy if they are legally responsible for the actions of any insured person using an insured auto.

\*30 day notice of cancellation except 10 days for non-payment of premium.

## CERTIFICATE HOLDER

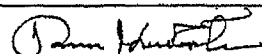
## CANCELLATION

City & County of San Francisco Community Mental Health Services  
Attn: Brenda Mendieta  
1380 Howard Blvd. Room #443  
San Francisco, CA 94103

USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30\* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



ACORD 25 (2001/08) DoreenA  
8967230

©ACORD CORPORATION 1988

## ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID#  
MENTA-1DATE (MM/DD/YYYY)  
06/26/08

PRODUCER  
Argo Insurance Brokers, Inc.  
CA License #0660864  
P. O. Box 232017  
Pleasant Hill CA 94523-6017  
Phone: 925-682-7001 Fax: 925-682-7024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED  
  
Mental Health Management, Inc.  
DRA: Canyon Manor  
655 Canyon Road  
Novato CA 94947

## INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: General American Insurance Co.

INSURER B:

INSURER C:

INSURER D: "REVISED"

INSURER E:

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	AGBL WTRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
		GENERAL LIABILITY				EACH OCCURRENCE	\$
		COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ex occurrence)	\$
		CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>				MED EXP (Any one person)	\$
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$
		GENL AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COM/DP AGG	\$
		POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/>					
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ex accident)	\$
		ANY AUTO				BODILY INJURY (Per person)	\$
		ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		LEASED AUTOS					
		NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	\$
		OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/>				AGGREGATE	\$
							\$
		DEDUCTIBLE					\$
		RETENTION					\$
		WORKERS COMPENSATION AND EMPLOYERS LIABILITY				W/ STATUTORY LIMITS	OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/ MEMBER EXCLUDED?				EL EACH ACCIDENT	\$
		If yes, describe under SPECIAL PROVISIONS below				EL DISEASE - EA EMPLOYEE	\$
		OTHER				EL DISEASE - POLICY LIMIT	\$
A		Crime Bond Employee Dishonesty	SAB3756772	07/01/08	07/01/09	Crime Ded.	\$1,250,000 \$10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
City/County of San Francisco acknowledged as Loss Payee

## CERTIFICATE HOLDER

SANF138

City/County of San Francisco  
1380 Howard Street, Room #443  
San Francisco, CA 94103-2614

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION

DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL

30 DAYS WRITTEN

NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL

IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR

REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE





CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

PO NUMBER: DPHM14000207  
PO AMOUNT: \$4,168,339.00

TO: MENTAL HEALTH MGMT I INC DBA CANYON MANO  
655 CANYON RD  
NOVATO CA 94948

PO PRINT DATE: 09/09/2013

PHONE :  
VENDOR ID: 12323

TERMS: NET  
FOB : DEST

ISSUE DATE : 09/09/2013

BPO # : BPHM09000042 <<  
EFF. DATE : 10/01/2008  
EXP. DATE : 12/31/2014

DELIVER TO: 1380 HOWARD ST 4TH FLOOR  
SAN FRANCISCO CA 94103-0000

AUTHORIZED SIGNATURE:

DATE : 9/9/13  
PHONE:

ORIGINAL ORDER MUST BE SIGNED TO BE VALID

INVOICE TO: SUBSTANCE ABUSE & FORENSICS (HMIOT)  
1380 HOWARD ST - RM 444  
SAN FRANCISCO CA 94103-0000

TERMS:

THIS CONTRACT PURCHASE ORDER AND THE ACCOMPANYING SIGNED CONTRACT  
AUTHORIZE YOU TO BEGIN PERFORMING THE CONTRACT AND INVOICING THE  
CITY. THIS IS SUBJECT TO THE TERMS AND CONDITIONS IN THE CONTRACT. ANY  
TERMS AND CONDITIONS ON THE REVERSE OF THIS DOCUMENT DO NOT APPLY.

YOU MUST INCLUDE THE CONTRACT PURCHASE ORDER NUMBER ON ALL INVOICES.



CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

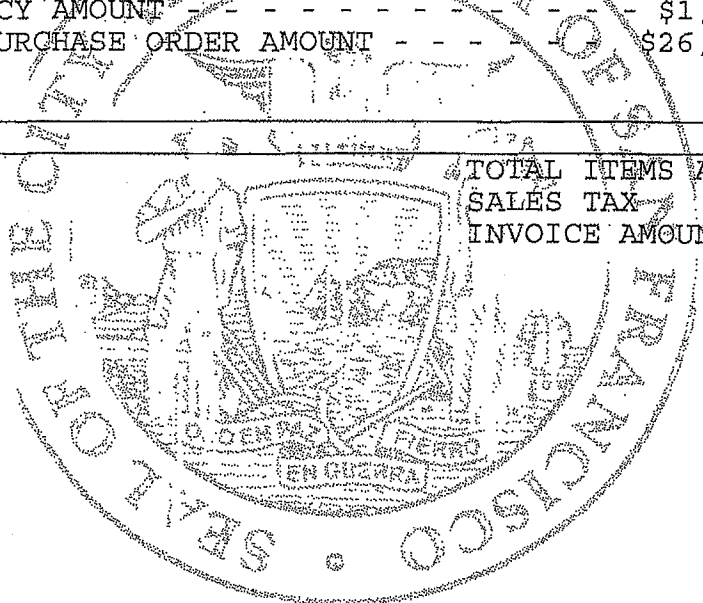
PO NUMBER: DPHM14000207  
PO AMOUNT: \$4,168,339.00

ITEM	COMMODITY ID	UOM	TAX	QUANTITY	UNIT PRICE	TOTAL PRICE
	NAME/SPECS					
1	7400-20	EA	N	1.00	4,168,339.0000	4,168,339.00
	SVC,MED/HLTH;CMH (COMMUNITY MENTAL HEALTH)					

TO PROVIDE 24-HOUR MENTAL HEALTH REHABILITATION SERVICES.

OCTOBER 1, 2008 THROUGH JUNE 30, 2009 - - - \$3,122,814  
 JULY 1, 2009 THROUGH JUNE 30, 2010 - - - \$3,981,222  
 JULY 1, 2010 THROUGH JUNE 30, 2011 - - - \$3,981,222  
 JULY 1, 2011 THROUGH JUNE 30, 2012 - - - \$3,981,222  
 JULY 1, 2012 THROUGH JUNE 30, 2013 - - - \$4,168,339  
 JULY 1, 2013 THROUGH JUNE 30, 2014 - - - \$4,168,339  
 JULY 1, 2014 THROUGH DECEMBER 31, 2014 - - - \$2,083,870  
 CONTINGENCY AMOUNT - - - \$1,043,819  
 BLANKET PURCHASE ORDER AMOUNT - - - \$26,530,847

TOTAL ITEMS AMOUNT \$4,168,339.00  
 SALES TAX \$0.00  
 INVOICE AMOUNT \$4,168,339.00

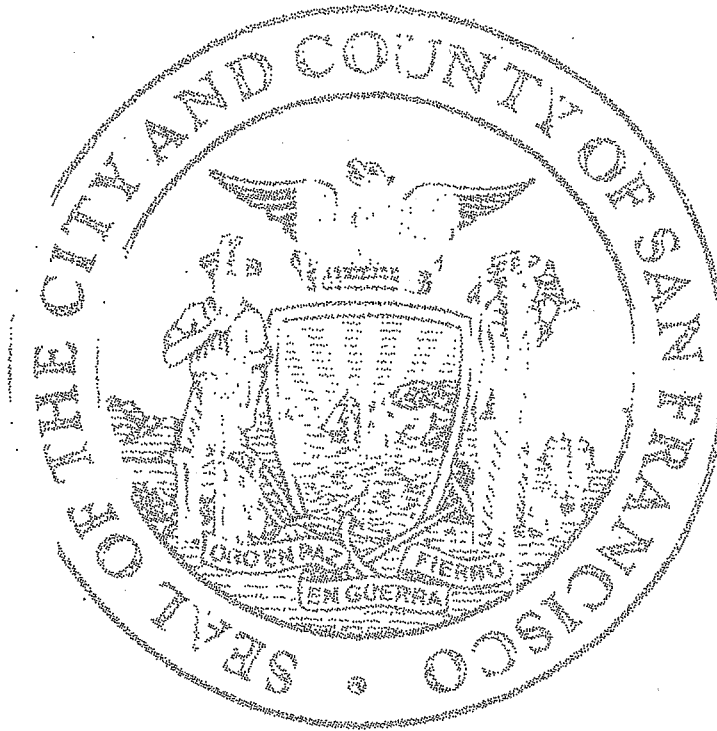




CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

PO NUMBER: DPHM14000207  
PO AMOUNT: \$4,168,339.00

SFX INDEX	SUBOBJ	USERCODE	PROJECT	PRJDTL	GRANT	GRNTDTL	AMOUNT
01	HMHMLT	730416	02789				4,168,339.00
							-----
							4,168,339.00



ADPICS/FAMIS: FY 13-14			Original			<div style="border: 1px solid black; padding: 2px;"> X </div>			<div style="border: 1px solid black; padding: 2px;"> DOCUMENT NUMBER  COMM400001B  DPHM4000207 </div>			DEPARTMENT: 82 Community Behavioral Health Services DEPARTMENT CONTROL NO: HM-14-6402-MH																																																																									
CITY/COUNTY OF SAN FRANCISCO			Modification-Increase						DATE: 5/21/13			PAGE: 1 OF 1																																																																									
CONTRACT PURCHASE ORDER INPUT FORM			Decrease						ORIGINAL CONTRACT NUMBER: BPHM09000042			PERIOD COVERED: 07/01/13 TO 06/30/14																																																																									
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Complete for Contract Order type Agreements and Contracts AMOUNT OF THIS ENCUMBRANCE \$4,168,339 TOTAL APPROVED CONTRACT \$26,530,847																																																																																					
OTHER DEPARTMENT # OF OTHER TYPE CONTRACTS: CMS #6402																																																																																					
CONTRACTOR: Mental Health Mgmt I, Inc dba ADDRESS: Canyon Manor 653 Canyon Road, P O Box 865 Novato, CA 94948			VERSION: 12323 SUFFIX: 01 FEBISSN No: 94-2319128 Phone #: (415) 892-1628			DELIVER TO: Same			SERVICES LOCATED IN DUPLICATE TO: (Inter-Office) PH&P Accounting Office 1380 Howard St., Rm. 447 San Francisco, CA 94103																																																																												
TERMS OF PAYMENT: Monthly			RETAINAGE REQUIRED: YES/NO: NO IF YES, AMOUNT ON %						INSURANCE REQUIRED: AMOUNT: EXPIRATION:																																																																												
COMMODITY OR SERVICE CODE #: 7400-20 (CMHS) PROFSERV -- BID			DETAILED DESCRIPTION OF SERVICES AND PRODUCTS FY 13-14 renewal <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Term: 10-1/08 - 12/31/14</th> <th>Contract Amount</th> <th>Contingency Approved</th> <th>Contingency Used</th> <th>Encumbrance</th> <th>Blanket Total</th> </tr> </thead> <tbody> <tr> <td>08/09 encumbered</td> <td>\$3,122,814</td> <td></td> <td></td> <td>\$3,122,814</td> <td></td> </tr> <tr> <td>09/10 encumbered</td> <td>\$3,981,222</td> <td></td> <td></td> <td>\$3,981,222</td> <td></td> </tr> <tr> <td>10/11 encumbered</td> <td>\$3,981,222</td> <td></td> <td></td> <td>\$3,981,222</td> <td></td> </tr> <tr> <td>11/12 encumbered</td> <td>\$3,981,222</td> <td></td> <td></td> <td>\$3,981,222</td> <td></td> </tr> <tr> <td>12/13 encumbered</td> <td>\$3,981,222</td> <td></td> <td></td> <td>\$3,981,222</td> <td></td> </tr> <tr> <td>12/13 encumbered</td> <td>\$187,117</td> <td></td> <td></td> <td>\$187,117</td> <td></td> </tr> <tr> <td>13-14 This encumbrance</td> <td>\$4,168,339</td> <td></td> <td></td> <td>\$4,168,339</td> <td></td> </tr> <tr> <td>14-15 To be encumb</td> <td>\$2,083,870</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$25,487,028</b></td> <td><b>\$1,043,819</b></td> <td></td> <td><b>\$23,403,158</b></td> <td><b>\$26,530,847</b></td> </tr> </tbody> </table>									Term: 10-1/08 - 12/31/14	Contract Amount	Contingency Approved	Contingency Used	Encumbrance	Blanket Total	08/09 encumbered	\$3,122,814			\$3,122,814		09/10 encumbered	\$3,981,222			\$3,981,222		10/11 encumbered	\$3,981,222			\$3,981,222		11/12 encumbered	\$3,981,222			\$3,981,222		12/13 encumbered	\$3,981,222			\$3,981,222		12/13 encumbered	\$187,117			\$187,117		13-14 This encumbrance	\$4,168,339			\$4,168,339		14-15 To be encumb	\$2,083,870					<b>TOTAL</b>	<b>\$25,487,028</b>	<b>\$1,043,819</b>		<b>\$23,403,158</b>	<b>\$26,530,847</b>	INSURANCE REQUIRED: AMOUNT: EXPIRATION:													
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14-15 To be encumb	\$2,083,870																																																																																				
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**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**First Amendment**

THIS AMENDMENT (this "Amendment") is made as of this 1<sup>st</sup> day of July, 2013, in San Francisco, California, by and between **Mental Health Management, Inc., dba Canyon Manor** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**Recitals**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the contract, increase the contract amount, and update standard contractual clauses;

NOW, THEREFORE, Contractor and the City agree as follows:

1. **Definitions.** The following definitions shall apply to this Amendment:

a. **Agreement.** The term "Agreement" shall mean the Agreement dated October 1, 2008, Contract Number BPHM09000042, between Contractor and City, as amended by this first amendment.

b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement.** The Agreement is hereby modified as follows:

a. **Section 2 Term of the Agreement currently reads as follows:**

2. **Term of the Agreement**

Subject to Section 1, the term of this Agreement shall be from October 1, 2008 to June 30, 2013.

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

Option 1: July 1, 2013 - June 30, 2014

Option 2: July 1, 2014 - June 30, 2015

Option 3: July 1, 2015 - June 30, 2016

Option 4: July 1, 2016- June 30, 2017

Option 5: July 1, 2017- June 30, 2018

Such section is hereby amended in its entirety to read as follows:

2. **Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from October 1, 2008 to December 31, 2014.

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

Option 1: July 1, 2014 - June 30, 2015

Option 2: July 1, 2015 - June 30, 2016

Option 3: July 1, 2016 - June 30, 2017

Option 4: July 1, 2017 - June 30, 2018

b. **Section 5. Compensation of the Agreement currently reads as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Twenty Million Nine Hundred Sixty Six Thousand, Seven Hundred Fifty Eight Dollars (\$20,966,758). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Twenty Six Million, Five Hundred Thirty Thousand, Eight Hundred Forty-Seven Dollars (\$26,530,847). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

c. **Section 8. Submitting False Claims; Monetary Penalties of the Agreement currently reads as follows:**

**8. Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

Such section is hereby amended in its entirety to read as follows:

**8. Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

d. **Section 15. Insurance of the Agreement currently reads as follows:**

**15. Insurance**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(4) Blanket Fidelity Bond (Commercial Blanket Bond): Limits in the amount of the Initial Payment provided for in the Agreement.

(5) Professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty (30) days' advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Office of Contract Management and Compliance  
Department of Public Health  
101 Grove Street, Room 307  
San Francisco, California 94102

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.



g. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

Such section is hereby amended in its entirety to read as follows:

#### 15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

4) Blanket Fidelity Bond (Commercial Blanket Bond): Limits in the amount of the Initial Payment provided for in the Agreement

5) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

k. Any of the terms of conditions of this Section 15 may be waived by the City's Risk Manager in writing, and attached to this Agreement as Appendix C. Such waiver is fully incorporated herein. The waiver shall waive only the requirements that are expressly identified and waived, and under such terms and conditions as stated in the waiver.

e. **Section 16. Indemnification of the Agreement currently reads as follows:**

**16. Indemnification**

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in

effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**Such section is hereby amended in its entirety to read as follows:**

**16. Indemnification**

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**f. Section 20. Default; Remedies of the Agreement currently reads as follows:**

**20. Default; Remedies**

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, 53, 55, 57, 58, and item 1 of Appendix D attached to this Agreement.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

Such section is hereby amended in its entirety to read as follows:

## **20. Default; Remedies**

A. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

8. Submitting False Claims; Monetary

37. Drug-free workplace policy

	Penalties.		
10.	Taxes	53.	Compliance with laws
15.	Insurance	55.	Supervision of minors
24.	Proprietary or confidential information of City	57.	Protection of private information
30.	Assignment	58.	Graffiti removal

2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

**B.** On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

**C.** All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

**g. Section 22. Rights and Duties upon Termination or Expiration of the Agreement** currently reads as follows:

## **22. Rights and Duties upon Termination or Expiration**

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, 57 and item 1 of Appendix D attached to this Agreement.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further

force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

Such section is hereby amended in its entirety to read as follows:

## **22. Rights and Duties upon Termination or Expiration**

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- |   |   |
|---|---|
| 8. Submitting false claims                                      | 24. Proprietary or confidential information of City     |
| 9. Disallowance   | 26. Ownership of Results                                |
| 10. Taxes   | 27. Works for Hire                                      |
| 11. Payment does not imply acceptance of work                   | 28. Audit and Inspection of Records                     |
| 13. Responsibility for equipment                                | 48. Modification of Agreement.                          |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance   | 50. Agreement Made in California; Venue                 |
| 16. Indemnification.  | 51. Construction  |
| 17. Incidental and Consequential Damages                        | 52. Entire Agreement                                    |
| 18. Liability of City   | 56. Severability  |
|   | 57. Protection of private information                   |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

**h. Section 24. Proprietary or Confidential Information of City of the Agreement currently reads as follows:**

## **24. Proprietary or Confidential Information of City**

a. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

b. Contractor shall maintain the usual and customary records for persons receiving Services under this Agreement. Contractor agrees that all private or confidential information concerning persons receiving Services under this Agreement, whether disclosed by the City or by the individuals themselves,

shall be held in the strictest confidence, shall be used only in performance of this Agreement, and shall be disclosed to third parties only as authorized by law. Contractor understands and agrees that this duty of care shall extend to confidential information contained or conveyed in any form, including but not limited to documents, files, patient or client records, facsimiles, recordings, telephone calls, telephone answering machines, voice mail or other telephone voice recording systems, computer files, e-mail or other computer network communications, and computer backup files, including disks and hard copies. The City reserves the right to terminate this Agreement for default if Contractor violates the terms of this section.

c. Contractor shall maintain its books and records in accordance with the generally accepted standards for such books and records for five years after the end of the fiscal year in which Services are furnished under this Agreement. Such access shall include making the books, documents and records available for inspection, examination or copying by the City, the California Department of Health Services or the U.S. Department of Health and Human Services and the Attorney General of the United States at all reasonable times at the Contractor's place of business or at such other mutually agreeable location in California. This provision shall also apply to any subcontract under this Agreement and to any contract between a subcontractor and related organizations of the subcontractor, and to their books, documents and records. The City acknowledges its duties and responsibilities regarding such records under such statutes and regulations.

d. The City owns all records of persons receiving Services and all fiscal records funded by this Agreement if Contractor goes out of business. Contractor shall immediately transfer possession of all these records if Contractor goes out of business. If this Agreement is terminated by either party, or expires, records shall be submitted to the City upon request.

e. All of the reports, information, and other materials prepared or assembled by Contractor under this Agreement shall be submitted to the Department of Public Health Contract Administrator and shall not be divulged by Contractor to any other person or entity without the prior written permission of the Contract Administrator listed in Appendix A.

Such section is hereby amended in its entirety to read as follows:

#### **24. Proprietary or Confidential Information of City.**

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

#### **i. Section 25. Notices to the Parties currently reads as follows:**

#### **25. Notices to the Parties**

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To CITY: Office of Contract Management and Compliance  
Department of Public Health

1380 Howard Street, 4<sup>th</sup> Floor  
San Francisco, California 94103

FAX: (415) 252-3088  
e-mail: David.Folmar@sfdph.org

And: Elizabeth Gray  
Community Behavioral Health Services  
1380 Howard Street, 5<sup>th</sup> Floor  
San Francisco, Ca 94103

FAX: (415) 255-3657  
e-mail: [Elizabeth.Gray@sfdph.org](mailto:Elizabeth.Gray@sfdph.org)

To CONTRACTOR: Mental Health Management Inc., dba Canyon  
Manor  
655 Canyon Rd  
Novato, CA 94948

FAX: (415) 892-8624  
e-mail: REvatzCanyonM@aol.com

Any notice of default must be sent by registered mail.

Such section is hereby amended in its entirety to read as follows:

**25. Notices to the Parties.**

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: Office of Contract Management and Compliance  
Department of Public Health  
1380 Howard Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103

To Contractor: Mental Health Management I, Inc. dba Canyon Manor  
655 Canyon Road  
Novato, CA 94948

Any notice of default must be sent by registered mail.

**j. Section 28. Audit and Inspection of Records currently reads as follows:**

**28. Audit and Inspection of Records**

a. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

b. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report and the associated management letter(s) shall be transmitted to the Director of Public Health or his /her designee within one hundred eighty (180) calendar days following Contractor's fiscal year end date. If Contractor expends \$500,000 or more in Federal funding per year, from any and all Federal awards, said audit shall be conducted in accordance with OMB Circular A-133,



Audits of States, Local Governments, and Non-Profit Organizations. Said requirements can be found at the following website address: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. If Contractor expends less than \$500,000 a year in Federal awards, Contractor is exempt from the single audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal Agency, pass-through entity and General Accounting Office. Contractor agrees to reimburse the City any cost adjustments necessitated by this audit report. Any audit report which addresses all or part of the period covered by this Agreement shall treat the service components identified in the detailed descriptions attached to Appendix A and referred to in the Program Budgets of Appendix B as discrete program entities of the Contractor.

c. The Director of Public Health or his / her designee may approve of a waiver of the aforementioned audit requirement if the contractual Services are of a consulting or personal services nature, these Services are paid for through fee for service terms which limit the City's risk with such contracts, and it is determined that the work associated with the audit would produce undue burdens or costs and would provide minimal benefits. A written request for a waiver must be submitted to the DIRECTOR ninety (90) calendar days before the end of the Agreement term or Contractor's fiscal year, whichever comes first.

d. Any financial adjustments necessitated by this audit report shall be made by Contractor to the City. If Contractor is under contract to the City, the adjustment may be made in the next subsequent billing by Contractor to the City, or may be made by another written schedule determined solely by the City. In the event Contractor is not under contract to the City, written arrangements shall be made for audit adjustments.

Such section is hereby amended in its entirety to read as follows:

**28. Audit and Inspection of Records.**

Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

k. Section 32, Earned Income Credit (EIC) forms currently reads as follows:

**32. Earned Income Credit (EIC) Forms**

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such

effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

Such section is hereby amended in its entirety to read as follows:

### **32. Earned Income Credit (EIC) Forms**

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

l. **Section 33. Local Business Enterprise Utilization; Liquidated Damages** currently reads as follows.

### **33. Local Business Enterprise Utilization; Liquidated Damages**

#### **a. The LBE Ordinance**

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of

Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

**b. Compliance and Enforcement**

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

Such section is hereby amended in its entirety to read as follows:

**33. Local Business Enterprise Utilization; Liquidated Damages**

The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

#### **Compliance and Enforcement**

Enforcement. If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

**m. Section 42. Limitations on Contributions currently reads as follows:**

#### **42. Limitations on Contributions**

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

**Such section is hereby amended in its entirety to read as follows:**

#### **42. Limitations on Contributions**

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must

be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after July 1, 2013.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first referenced above.

CITY

CONTRACTOR

Recommended by:

Mental Health Management Inc., dba Canyon Manor

  
BARBARA GARCIA, MPA  
Director of Health

5/22/13  
Date


  
RICHARD EVATZ  
Executive Director  
655 Canyon Road  
Novato, CA 94948

5/9/13  
Date

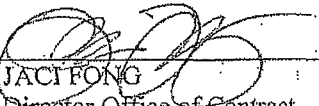
Approved as to Form:

DENNIS J. HERRERA  
City Attorney

City vendor number: 12323

By:  5/23/13  
Deputy City Attorney Date

Approved:

 9/4/2013  
JACI FONG  
Director Office of Contract  
Administration and Purchaser Date

## Appendix A

### COMMUNITY BEHAVIORAL HEALTH SERVICES

Term: 7/1/13-12/31/14

The following requirements are incorporated into Appendix A, as provided in this Agreement under Section 4. SERVICES.

A. Contract Administrator:

In performing the SERVICES hereunder, CONTRACTOR shall report to Valerie Lai, Contract Administrator for the CITY, or her designee.

B. Reports:

(1) CONTRACTOR shall submit written reports as requested by the CITY. The format for the content of such reports shall be determined by the CITY. The timely submission of all reports is a necessary and material term and condition of this Agreement. All reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

(2) CONTRACTOR agrees to submit to the Director of Public Health or his designated agent (hereinafter referred to as "DIRECTOR") the following reports: Annual County Plan Data; Utilization Review Data and Quarterly Reports of De-certifications; Peer Review Plan, Quarterly Reports, and relevant Peer Review data; Medication Monitoring Plan and relevant Medication Monitoring data; Charting Requirements, Client Satisfaction Data, Program Outcome Data, and Data necessary for producing bills and/or claims in conformance with the State of California Uniform Method for Determining Ability to Pay (UMDAP; the state's sliding fee scale) procedures.

C. Evaluation:

CONTRACTOR shall participate as requested with the CITY, State and/or Federal government in evaluative studies designed to show the effectiveness of CONTRACTOR'S SERVICES. CONTRACTOR agrees to meet the requirements of and participate in the evaluation program and management information systems of the CITY. The CITY agrees that any final written reports generated through the evaluation program shall be made available to CONTRACTOR within thirty (30) working days. CONTRACTOR may submit a written response within thirty working days of receipt of any evaluation report and such response will become part of the official report.

D. Possession of Licenses/Permits:

CONTRACTOR warrants the possession of all licenses and/or permits required by the laws and regulations of the United States, the State of California, and the CITY to provide the SERVICES. Failure to maintain these licenses and permits shall constitute a material breach of this Agreement.

Space owned, leased or operated by providers, including satellites, and used for SERVICES or staff shall meet local fire codes. Documentation of fire safety inspections and corrections of any deficiencies shall be made available to reviewers upon request.

E. Adequate Resources:

CONTRACTOR agrees that it has secured or shall secure at its own expense all persons, employees and equipment required to perform the SERVICES required under this Agreement, and that all such SERVICES shall be performed by CONTRACTOR, or under CONTRACTOR'S supervision, by persons authorized by law to perform such SERVICES.

F. Admission Policy:

Admission policies for the SERVICES shall be in writing and available to the public. Such policies must include a provision that clients are accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or AIDS/HIV status, except to the extent that the SERVICES are to be rendered to a specific population as described in Appendix A. CONTRACTOR shall adhere to Title XIX of the Social Security Act and shall conform to all applicable Federal and State statutes and regulations. CONTRACTOR shall ensure that all clients will receive the same level of care regardless of client status or source of reimbursement when SERVICES are to be rendered.

G. San Francisco Residents Only:

Only San Francisco residents shall be treated under the terms of this Agreement. Exceptions must have the written approval of the Contract Administrator.

H. Grievance Procedure:

CONTRACTOR agrees to establish and maintain a written Client Grievance Procedure which shall include the following elements as well as others that may be appropriate to the SERVICES: (1) the name or title of the person or persons authorized to make a determination regarding the grievance; (2) the opportunity for the aggrieved party to discuss the grievance with those who will be making the determination; and (3) the right of a client dissatisfied with the decision to ask for a review and recommendation from the community advisory board or planning council that has purview over the aggrieved service. CONTRACTOR shall provide a copy of this procedure, and any amendments thereto, to each client and to the Director of Public Health or his/her designated agent (hereinafter referred to as "DIRECTOR"). Those clients who do not receive direct SERVICES will be provided a copy of this procedure upon request.

I. Infection Control, Health and Safety:

(1) CONTRACTOR must have a Bloodborne Pathogen (BBP) Exposure Control plan as defined in the California Code of Regulations, Title 8, §5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and record keeping.

(2) CONTRACTOR must demonstrate personnel policies/procedures for protection of staff and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.

(3) CONTRACTOR must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.

(4) CONTRACTOR is responsible for site conditions, equipment, health and safety of their employees, and all other persons who work or visit the job site.

(5) CONTRACTOR shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.

(6) CONTRACTOR shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.

(7) CONTRACTOR assumes responsibility for procuring all medical equipment and supplies for use by their staff, including safe needle devices, and provides and documents all appropriate training.



(8) CONTRACTOR shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

J. Acknowledgment of Funding:

CONTRACTOR agrees to acknowledge the San Francisco Department of Public Health in any printed material or public announcement describing the San Francisco Department of Public Health-funded SERVICES. Such documents or announcements shall contain a credit substantially as follows: "This program/service/activity/research project was funded through the Department of Public Health, CITY and County of San Francisco."

K. Client Fees and Third Party Revenue:

(1) Fees required by federal, state or CITY laws or regulations to be billed to the client, client's family, or insurance company, shall be determined in accordance with the client's ability to pay and in conformance with all applicable laws. Such fees shall approximate actual cost. No additional fees may be charged to the client or the client's family for the SERVICES. Inability to pay shall not be the basis for denial of any SERVICES provided under this Agreement.

(2) CONTRACTOR agrees that revenues or fees received by CONTRACTOR related to SERVICES performed and materials developed or distributed with funding under this Agreement shall be used to increase the gross program funding such that a greater number of persons may receive SERVICES. Accordingly, these revenues and fees shall not be deducted by CONTRACTOR from its billing to the CITY.

(3) CONTRACTOR agrees that funds received by CONTRACTOR from a source other than the CITY to defray any portion of the reimbursable costs allowable under this Agreement shall be reported to the CITY and deducted by CONTRACTOR from its billings to the CITY to ensure that no portion of the CITY'S reimbursement to CONTRACTOR is duplicated.

L. Billing and Information System

CONTRACTOR agrees to participate in the CITY'S Community Mental Health Services (CMHS) and Community Substance Abuse Services (CSAS) Billing and Information System (BIS) and to follow data reporting procedures set forth by the CMHS/CSAS BIS and Quality Improvement Units.

M. Patients Rights:

All applicable Patients Rights laws and procedures shall be implemented.

N. Under-Utilization Reports:

For any quarter that CONTRACTOR maintains less than ninety percent (90%) of the total agreed upon units of service for any mode of service hereunder, CONTRACTOR shall immediately notify the Contract Administrator in writing and shall specify the number of underutilized units of service.

O. Quality Improvement:

CONTRACTOR agrees to develop and implement a Quality Improvement Plan based on internal standards established by CONTRACTOR applicable to the SERVICES as follows:

- (1) Staff evaluations completed on an annual basis.
- (2) Personnel policies and procedures in place, reviewed and updated annually.
- (3) Board Review of Quality Improvement Plan.

P. Compliance with Community Mental Health Services and Community Substance Abuse Services Policies and Procedures

In the provision of SERVICES under Community Mental Health Services or Community Substance Abuse Services contracts, CONTRACTOR shall follow all applicable policies and procedures established for contractors by Community Mental Health Services or Community Substance Abuse Services, as

applicable, and shall keep itself duly informed of such policies. Lack of knowledge of such policies and procedures shall not be an allowable reason for noncompliance.

Q. Working Trial Balance with Year-End Cost Report

If CONTRACTOR is a Non-Hospital Provider as defined in the State of California Department of Mental Health Cost Reporting Data Collection Manual, it agrees to submit a working trial balance with the year-end cost report.

R. Harm Reduction

The program has a written internal Harm Reduction Policy that includes the guiding principles per Resolution # 10-00 810611 of the San Francisco Department of Public Health Commission.

2. **Description of Services**

Detailed description of services are listed below and are attached hereto  
Appendix A-1, A-2 Canyon Manor

Contractor: Mental Health Management I, Inc.  
Program: Canyon Manor  
City Fiscal Year: July 1, 2013-June 30, 2014

### 1. Program Name

Mental Health Management I, Inc.  
dba. Canyon Manor  
655 and 653 Canyon Road, P.O. Box 865  
Novato, CA 94948-0865  
(415) 892-1628 -Telephone  
(415) 892-8624 - Facsimile

### 2. Nature of Document

☐ New ☒ Renewal ☐ Modification

### 3. Goal Statement

The overall program goal at Canyon Manor is to maximize each individual's functional capacity by providing integrated services, fostering self-care and return to the highest level of independent living possible in the community.

### 4. Target Population

San Francisco residents admitted to Canyon Manor will be 18 years to 60 years of age and have an Axis I DSM-IV psychiatric diagnosis.

### 5. Modality (ies) of Service/Intervention

- A. **Modality of Service/Intervention.** Please refer to CRDC.
- B. **Definition of Billable Services.** Institution for "Mental Disease" means a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care of persons with mental illness, including medical attention, nursing care, and related services.

### 6. Methodology

#### Admission Process

Individuals admitted to Canyon Manor licensed as a MHRC will focus primarily on those with behavior management issues. However, as the MHRC license allows, individuals may also be admitted who have concomitant medical problems and/or have physical impairments requiring special needs that might include the use of a wheelchair, walker, or cane; individuals admitted to Canyon may also have vision and/or hearing loss, or speech impediment. Canyon Manor will primarily admit San Francisco residents directly from acute psychiatric inpatient units.

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** July 1, 2013-June 30, 2014

The Director of CBHS Placement will authorize referrals to Canyon Manor into contracted beds. All such referrals will have been approved for locked psychiatric MHRC level of care by the Director of CBHS Placement or designee.

Each San Francisco resident admitted to Canyon Manor into a contract bed will be reviewed every thirty (30) days by the CBHS Utilization Review Nurse, who will monitor on-going treatment and progress toward treatment goals including discharge as soon as clinically appropriate.

Individuals who suffer exclusively from developmental disability, mental retardation, dementia, or physical illness without a psychiatric component will not be considered for admission to Canyon Manor.

If a San Francisco resident on voluntary status or a private conservatee is referred by the Placement Program to Canyon Manor, an addendum to the admission agreement will be signed by private conservator or voluntary resident *in advance of admission* indicating that voluntary individual or private conservator will comply with CBHS' utilization management decisions regarding the individual's readiness to move to a lower level of care.

### **Admission Expectations**

The CBHS Placement Director will be informed of the decision whether to admit or not admit within 72 hours of receipt of the referral packet.

The center's physician "Initial Assessment and Treatment Plan" must consist of the following components and be signed by the attending psychiatrist/physician within five (5) business days of admission, and the facility shall send a copy of the "Treatment Plan" to the conservator and CBHS UR nurse within fourteen (14) calendar days:

1. A 5-Axis DSM-IV diagnosis
2. Signs and symptoms of psychiatric impairment and any pre-existing medical conditions.
3. Long and short-term goals that are based on individual resident capabilities and that are realistically attainable by client.
4. Measurable objectives with specific time frames with special emphasis on medication regimen.
5. Special treatment and interventions and services with identification of the professional discipline responsible for each element of care.
6. Estimated duration of treatment and continuously updated progress notes reflecting justification for continued stay and identification of obstacles to community placement.
7. Prognosis.
8. Dated legible physician notes and signature.
9. Specification of drug regimen or no drug regimen.

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** July 1, 2013-June 30, 2014

10. Evidence of communication with client's former physician upon admission and with client's future physician upon discharge.

Admission and documentation will include the following:

1. A non-psychiatrist physician must perform a history and physical examination within seventy-two (72) hours of client's admission.
2. Physician must provide reason for deferment of either the physical examination or any process within the examination. Attempts to complete a physical examination must be documented weekly. If, after fourteen days (14), these attempts are not successful, the client's conservator must be contacted to arrange a court date so that the court can mandate the necessary care.
3. The center shall obtain a copy of the conservator's investigation report and this report shall be present in the legal section of the client record.
4. The following demographic data will be collected for the purpose of conducting treatment and outcome evaluations: sex, age, race, marital status, legal status, psychiatric diagnosis, and primary language. In addition, the center will record information about the client's previous placement, prior hospitalizations, and reason for current hospitalization.

### Ongoing Expectations

Center will provide:

1. Annual physical examination
2. Annual update regarding medication consents (with witness signatures).
3. Documentation in client's record the center's follow-up care regarding dental and eye care in addition to any necessary medical care.
4. Transportation and escort for clinic visits when necessary.
5. Adherence to all protocols regarding conserved clients, including issues of client refusal of medications.
6. Dictations or treatment services. In the case of conserved clients refusing laboratory tests, the center may negotiate with San Francisco General Hospital for recommended tests to be done there provided there is a court order for the clients to receive such tests.
7. Assistance and cooperation in efforts to obtain client entitlements. The center will collect, document and report to the County the SSI, VA and other third party payments.
8. Participate fully in the County's Billing and Data Collection system regarding entitlements.
9. Submit to San Francisco CBHS Billing Office, monthly invoices per the agreement with San Francisco Billing Office. Invoice attachments will include specific to each center:
  - a. client's last name
  - b. first name
  - c. units of service provided for that quarter.
  - d. rate per UOS

**Contractor:** Mental Health Management I, Inc.  
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San FRANCISCO CBHS will make payment adjustments quarterly for any client not authorized for treatment.

10. Attending psychiatrists court testimony when required and following conditions must be met:
  - a. Be fully prepared, i.e., review client chart prior to proceedings
  - b. Appear on time and sit through the hearing process in order to provide expert testimony in client's case
  - c. In case of inability to attend, sufficient notice must be given by the psychiatrist. If time does not permit mailing notice, then the notice must be faxed to the mental health court.

**Progress notes shall reflect the following:**

**Psychiatrists:** the attending psychiatrist must make a note at least every thirty- (30) days that addresses:

1. Client's current level of functioning, addressing all 5 Axis
2. Description of client's behaviors that present as an obstacle to discharge.
3. Behavioral assessment of current behavioral barriers effecting discharge potential
4. Documentation to support significant changes in functioning level, progress/regression.
5. Specific justification as to why resident needs to remain at current level of care.
6. Document current dose of medication(s).
7. Client's response to medication(s).
8. Client's compliance with medication(s).
9. Client's use of PRN medication.
10. Notes shall reflect physician's use of laboratory results to determine adjustment to medication(s).
11. There shall be evidence of a monthly assessment and update regarding PRN psychotropic medication.

**Nursing Staff:** Nursing staff must make a note at least every seven- (7) days that addresses:

1. Nursing management of the client specific to problems identified in the client's treatment plan.
2. Areas of the client's ADL's requiring nursing intervention and frequency of that intervention.

**Program Staff:**

1. Client's attendance and participation in MHRC's program will be documented in client's chart.
2. Client will receive at least weekly individual sessions with group leader to discuss goals and progress.

**Discharge Expectations:**

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** July 1, 2013-June 30, 2014

Social work documentation shall begin at point of admission with updates based on evaluation of client's functional capacity. Documentation shall be relevant to client's treatment goals and plans. Barriers to discharge will be identified and interventions that will address and/or resolve those barriers will be documented.

CBHS Linkage Staff, working in the Placement Program, and SPR staff will interface on a regular basis with Canyon Manor social services staff regarding the discharge readiness of clients.

When requested to make a client ready for discharge or transfer, the center will prepare all paperwork for client discharge and make all arrangements within five (5) working days of receipt of written or verbal request from conservator, CBHS Linkage/Placement staff, or SPR staff.

Canyon Manor will notify Director of CBHS Placement or his/her designee by fax or telephone on the day of discharge of any San Francisco resident.

Canyon Manor will send medication and prescription information with client upon discharge.

#### **Need for Acute Hospitalization**

In the event that the Canyon Manor staff determines that a San Francisco resident should return to the acute hospital sector, the following procedures will be observed:

1. Emergency returns during working hours, Monday-Friday: refer to Psychiatric Emergency Return of San Francisco Residents Placed in out-of-county L-facilities (Manual No 3.03.3).
2. Non-emergency returns: an authorization is necessary from the Director of CBHS Placement or his/her designee.
3. Off-hour emergency returns: The CBHS Placement Director must be notified on the next working day of any emergency returns made during non-business hours.
4. The bed of any client referred to the acute hospital will be held for seven (7) days pending his/her return. Bed may be held longer with authorization from Placement Director.

#### **County Payment for Physician Services**

The County will authorize payment of services rendered by physicians when itemized bills, which identify the client(s) served, are submitted to the County. All bills for court testimony; administrative meeting and utilization review meetings must specify name of client and duration of meeting in minutes.

The County reserves the right to interview and approve all physicians who are applying to assume responsibility for County residents, and the center must provide notice to County in a timely manner regarding and physician resignations.

Contractor: Mental Health Management I, Inc.  
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City Fiscal Year: July 1, 2013-June 30, 2014

## **7. Objectives and Measurements**

### **A. Performance/ Outcome Objectives**

#### **OUTCOME 1: IMPROVE CLIENT SYMPTOMS**

##### **Objective A.1: Reduce Psychiatric Symptoms**

**A.2.c. During this Fiscal Year, Canyon Manor will not return more than four (4) San Francisco residents per month to PES.**

Data Source: An advance notification to the Placement Director of each situation involving a return to PES and the Center maintained log of all clients who return to PES.

Measurement: The Placement Director will be notified in advance of each situation involving a return to PES. The Canyon Manor Program Director will maintain a log of all clients returned to PES. Canyon Manor Program Director will analyze the data and if necessary make any program adjustments in order to maintain, achieve the objective for the next quarter. Canyon Manor Program Director will submit a log with the above information every three months (Oct 12, Jan 13, Apr 13, Jul 13) to San Francisco Program Manager

#### **OUTCOME 3: IMPROVE CLIENT FUNCTIONING**

### **B. OTHER MEASURABLE OBJECTIVES/PROCESS OBJECTIVES**

#### **Objective 2 Reliance on Institutions**

**B.2.a Any client returned to PES or SFGH for acute treatment will be readmitted to the center when the client no longer meets the medical necessity criteria for acute inpatient according to Title IX. The referring center will accept the client back in a time frame that does not require more than two administrative days (weekends and holidays excluded).**

Data Source: Log maintained by Placement Staff and Client Flow database.



**Contractor:** Mental Health Management I, Inc.  
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Program Review Measurement:

Objective will be evaluated based on administration closest to or within the 12-month period from July 1, 2012 to June 30, 2013.

Measurement: Canyon Manor Program Director will review log and analyze quarterly and take any needed action if objective is not met.

**Objective 3. Quality of Care**

**B.3.a Program will ensure that a Continuous Quality Improvement (CQI) process is in place**

**that focuses on the center's utilization management, including length of stay.**

**Individual**

**center's medical staff will participate in a peer review process and peer review activities**

**that will be reported quarterly. Each center will participate in quality of care (critical incident) conferences involving San Francisco residents.**

Data Source: Canyon Manor Program Director will submit CQI reports to CBHS addressing the three items above to the CBHS Program Manager on a quarterly basis.

Program Review Measurement:

Objective will be evaluated based on 12-months period from July 1, 2012 to June 30, 2013.

Measurement: Canyon Manor Program Director will review and analyze CQI reports to CBHS on a quarterly basis to ensure that all three items mentioned above are contained in the reports.

**Objective 6: Client Satisfaction**

**B.6.b During Fiscal Year 2012-13, 100% of unduplicated clients who received a face-to-face billable service during this survey period will be given and encouraged to complete a**

**City-wide Client Satisfaction Survey.**

Data Source: Program Tracking Sheet and Program Self Report

Program Review Measurement:

Objective will be evaluated based on the survey administration closest to the 12-month period from July 1, 2012 to June 30, 2013.

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** July 1, 2013-June 30, 2014

Measurement: Canyon Manor Program Director will insure that Administrative Staff follow the proper procedures in order to capture the most unduplicated clients in attendance at Canyon Manor on the targeted survey days by interviewing the staff involved. Also, he will review and analyze data provided by San Francisco CBHS. If objective is not met he will adjust procedures/program for next year's Client Satisfaction Survey days in order to achieve compliance.

### **C. Continuous Quality Improvement, Program Productivity and Service Access**

#### **Objective 6. Cultural Competency**

**C.6.a. Working with their CBHS program managers, programs will develop three (3) mutually agreed upon opportunities for improvement under their 2010 Cultural Competency Reports and report on the identified program-specific opportunities for improvement and progress toward these improvements by September 20, 2012. Reports should be sent to both program managers and the DPH/EEO.**

Data Source: Program managers will review progress utilizing the DPH Cultural Competency Report Evaluation Tool.

Program Review Management: Objective will be evaluated quarterly during the 12-month period from July 1, 2012 to June 30, 2013. Only the summaries from the two first quarterly meetings held by March 2013 will be included in the program review.

Measurement: Program Director will submit the evaluation of the objective in the Cultural Competency Report for review. If objective not met, plan will be generated to meet objective in the next 12 month period.

### **8. Continuous Quality Improvement**

Centers shall maintain a regularly scheduled Continuous Quality Improvement Committee and extend an invitation to the County to attend as needed to facilitate the exchange of information. Committee membership shall consist of the following staff: one attending psychiatrist or Medical Director, Director of Nurses, Director of Program, and Social Worker. Attendance shall be documented and submitted as part of regular reports to the County.

Canyon Manor's CQI/QA committee shall determine the types of CQI/QA activities, including monitoring and evaluation to be employed at Canyon Manor and shall approve the CQI/QA calendar, assuring that the activities selected cover all types of services and all categories of care rendered in Canyon Manor and that they are effective.

**Contractor:** Mental Health Management I, Inc.  
**Program:** Canyon Manor  
**City Fiscal Year:** July 1, 2013-June 30, 2014

Canyon Manor's CQI/QA committee shall also be responsible for assuring that activities are directed toward the continuous improvement of care, that written indicators and thresholds for evaluation are developed and applied, that appropriate actions are implemented to eliminate or reduce identified problems or otherwise improve care to the greatest degree reasonably possible, that such corrective action has been adequate by subsequent monitoring and that the effectiveness of Canyon Manor's monitoring and evaluation and other CQI/QA activities are reappraised at least annually.

The individual committee and departments will be responsible for monitoring and evaluation of the client care they provide. Activities shall be coordinated through the CQI/QA Coordinator, and findings shall be reported to the CQI/QA committee. Every effort shall be made to keep all CQI/QA information and activities confidential, except where prohibited by law.

Reports will be submitted by each applicable committee or department according to the CQI/QA calendar for that year. Each year's calendar shall include, but not be limited to, ongoing monitoring and evaluation of the quality and appropriateness of care in the following services:

1. Client's Assessment and Treatment Process.
2. Client Care
3. Dietetic Care
4. Drug Usage
5. Medical Care
6. Nursing Care
7. Oral Health Care
8. Rehabilitation Care
9. Social Services
10. Cultural Competence

Because of limited and shrinking mental health resources, coupled with the need to immediately serve many acute clients coming in the front door, the program will consistently apply utilization review and discharge/exit criteria to alleviate increasing caseload pressure.

Canyon Manor Program services are in accord with the San Francisco Mental Health Plan Mission Statement and system goals and values. Canyon Manor agrees to comply with Health Commission, Local, State, Federal and/or Funding Source policies and requirements such as Harm Reduction, Health Insurance Portability and Accountability Act (HIPAA), Cultural Competency, and Client Satisfaction. We continue to review and improve on an ongoing basis our Wellness & Recovery model in conjunction with our collateral contracts.

**Appendix B**  
**Calculation of Charges**  
Term: 7/1/13-12/31/14

**1. Method of Payment**

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those appendices which include General Fund monies.

(1) Fee for Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

(2) Cost Reimbursement (Monthly Reimbursement for Actual Expenditures within Budget:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month for reimbursement of the actual costs for SERVICES of the preceding month. All costs associated with the SERVICES shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

B. Final Closing Invoice

(1) Fee For Service Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

(2) Cost Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

D. Upon execution of this Agreement, contingent upon prior approval by the CITY'S Department of Public Health of each year's revised Appendix A (Description of Services) and each year's revised Appendix B (Cost Reporting Data Collection Form), and within each fiscal year, the CITY agrees to make an initial payment to CONTRACTOR not to exceed twenty-five per cent (25%) of the General Fund portion of the CONTRACTOR'S allocation for the applicable fiscal year.

CONTRACTOR agrees that within that fiscal year, this initial payment shall be recovered by the CITY through a reduction to monthly payments to CONTRACTOR during the period of October 1 through March 31 of the applicable fiscal year, unless and until CONTRACTOR chooses to return to the CITY all or part of the initial payment for that fiscal year. The amount of the initial payment recovered each month shall be calculated by dividing the total initial payment for the fiscal year by the total number of months for recovery. Any termination of this Agreement, whether for cause or for convenience, will result in the total outstanding amount of the initial payment for that fiscal year being due and payable to the CITY within thirty (30) calendar days following written notice of termination from the CITY.

## **2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1 Mental Health Management, Inc., dba Canyon Manor Cost Report Data Collection (CRDC) Form

### **B. COMPENSATION**

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Cost Reporting/Data Collection (CR/DC) and Program Budget, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed Twenty Six Million Five Hundred Thirty Thousand, Eight Hundred Forty Seven Dollars (\$26,530,847) for the period of October 1, 2008 through December 31, 2014.

CONTRACTOR understands that, of this maximum dollar obligation, \$1,043,819 is included as a contingency amount and is neither to be used in Appendix B, Budget, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Budget, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of

Services, and a revised Appendix B, Cost Reporting Data Collection form, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these appendices in compliance with the instructions of the Department of Public Health. These appendices shall apply only to the fiscal year for which they were created. These appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Budget and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Budget and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Cost Reporting Data Collection form, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

October 1, 2008 through June 30, 2009	\$3,122,814
July 1, 2009 through June 30, 2010	\$3,981,222
July 1, 2010 through June 30, 2011	\$3,981,222
July 1, 2011 through June 30, 2012	\$3,981,222
July 1, 2012 through June 30, 2013	\$4,168,339
July 1, 2013 through June 30, 2014	\$4,168,339
July 1, 2014 through December 31, 2014	\$2,083,870
October 1, 2008 through December 31, 2014	\$25,487,028

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.

**DPH 1: Department of Public Health Contract Budget Summary**

DMH Legal Entity Number (MH):		272	Prepared By/Phone #:		Fiscal Year: 13-14		
DMH Legal Entity Name (MH)/Contractor Name (SA):		Mental Health Mgmt, I, Inc. dba Canyon Manor	Document Date:		7/1/2013		
Contract Appendix Number:		B-1	B-1	B-#	B-#	B-#	
Appendix A Name:							
Provider Number:		38HB1	38HB1				
FUNDING TERM:		7/1/13-6/30/14	7/1/13-6/30/14				TOTAL
<b>FUNDING USES</b>							
Salaries & Employee Benefits:		3,397,395					3,397,395
Operating Expenses:		1,178,494	20,000				1,198,494
Capital Expenses:							0
Subtotal Direct Expenses:		4,575,889	20,000	0	0	0	4,595,889
Indirect Expenses:							0
Indirect %:		0%	0%	0%	0%	0%	
<b>TOTAL FUNDING USES</b>		<b>4,575,889</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,595,889</b>
					Employee Fringe Benefits %:		
<b>CBHS MENTAL HEALTH FUNDING SOURCES</b>							
<b>TOTAL CBHS MENTAL HEALTH FUNDING SOURCES</b>		<b>4,148,339</b>	<b>20,000</b>				<b>4,168,339</b>
<b>CBHS SUBSTANCE ABUSE FUNDING SOURCES</b>							
<b>TOTAL CBHS SUBSTANCE ABUSE FUNDING SOURCES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER DPH COMMUNITY PROGRAMS FUNDING SOURCES</b>							
<b>TOTAL OTHER DPH COMMUNITY PROGRAMS FUNDING SOURCES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL DPH FUNDING SOURCES</b>		<b>4,148,339</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,168,339</b>
<b>NON-DPH FUNDING SOURCES</b>							
		427550					
<b>TOTAL NON-DPH FUNDING SOURCES</b>		<b>427550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>427550</b>
<b>TOTAL FUNDING SOURCES (DPH AND NON-DPH)</b>		<b>4,575,889</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,595,889</b>

**DPH 2: Department of Public Health Cost Reporting/Data Collection (CRDC)**

DMH Legal Entity Name (MH)/Contractor Name (SA): Mental Health Mgmt. Inc				Contract Appendix #: B-1	
Provider Name: Canyon Manor				Document Date: 7/1/2013	
Provider Number: 38HB1				Fiscal Year: FY 13-14	
Program Name:		Canyon Manor		Canyon Manor	
Program Code (formerly Reporting Unit):		38HB1		38HB1	
Mode/SFC (MH) or Modality (SA)		05/36-39			
Service Description:				0	0
FUNDING TERM:		7/1/13-6/30/14		7/1/13-6/30/14	TOTAL
FUNDING USES					
Salaries & Employee Benefits:		3,397,395			3,397,395
Operating Expenses:		1,178,494		20,000	1,198,494
Capital Expenses (greater than \$5,000):					0
Subtotal Direct Expenses:		4,575,889		20,000	4,595,889
Indirect Expenses:					0
TOTAL FUNDING USES:		4,575,889		20,000	4,595,889
CBHS MENTAL HEALTH FUNDING SOURCES		CFDA #:			
					0
					0
					0
					0
TOTAL CBHS MENTAL HEALTH FUNDING SOURCES		4,148,339		20,000	4,168,339
CBHS SUBSTANCE ABUSE FUNDING SOURCES		CFDA #:			
					-
					-
					-
TOTAL CBHS SUBSTANCE ABUSE FUNDING SOURCES		-		-	-
OTHER DPH COMMUNITY PROGRAMS FUNDING SOURCES		CFDA #:			
					-
					-
TOTAL OTHER DPH COMMUNITY PROGRAMS FUNDING SOURCES		-		-	-
TOTAL DPH FUNDING SOURCES		4,148,339		20,000	4,168,339
NON-DPH FUNDING SOURCES					0
TOTAL NON-DPH FUNDING SOURCES		427,550		0	427,550
TOTAL FUNDING SOURCES (DPH AND NON-DPH)		4,575,889		20,000	4,595,889
CBHS UNITS OF SERVICE AND UNIT COST					
Number of Beds Purchased (if applicable)					
Substance Abuse Only - Non-Res 33 - ODF # of Group Sessions (classes)					
Substance Abuse Only - Licensed Capacity for Medi-Cal Provider with Narcotic Tx Program					
Cost Reimbursement (CR) or Fee-For-Service (FFS):		FFS		CR	
DPH Units of Service:		17,563		#DIV/0!	-
Unit Type:					
Cost Per Unit - DPH Rate (DPH FUNDING SOURCES Only)		0.00		0.00	0.00
Cost Per Unit - Contract Rate (DPH & Non-DPH FUNDING SOURCES):		236.20		#DIV/0!	0.00
Published Rate (Medi-Cal Providers Only):					
Unduplicated Clients (UDC):					Total UDC:



**DPH 4: Operating Expenses Detail**

Provider Number: 38HB1  
 Provider Name: Management I, Inc. dba Canyon Manor  
 Document Date: 7/1/13

Appendix #: B-1

Expenditure Category	TOTAL	General Fund	Funding Source 1 (overwrite here with Funding Source Name)	Funding Source 2 (overwrite here with Funding Source Name)	Funding Source 3 (overwrite here with Funding Source Name)	Funding Source 4 (overwrite here with Funding Source Name)
	Term: 7/1/13-6/30/14	Term: _____	Term: _____	Term: _____	Term: _____	Term: _____
Rental of Property	\$ -					
Utilities(Elec, Water, Gas, Phone, Scavenger)	\$ -					
Office Supplies, Postage	\$ -					
Building Maintenance Supplies and Repair	\$ -					
Printing and Reproduction	\$ -					
Insurance	\$ -					
Staff Training	\$ -					
Staff Travel-(Local & Out of Town)	\$ -					
Rental of Equipment	\$ -					
CONSULTANT/SUBCONTRACTOR (Provide Names, Dates, Hours & Amounts)	\$ -					
CONSULTANT/SUBCONTRACTOR (Provide Names, Dates, Hours & Amounts)	\$ -					
CONSULTANT/SUBCONTRACTOR (Provide Names, Dates, Hours & Amounts)	\$ -					
CONSULTANT/SUBCONTRACTOR (Provide Names, Dates, Hours & Amounts)	\$ -					
CONSULTANT/SUBCONTRACTOR (Provide Names, Dates, Hours & Amounts)	\$ -					
CONSULTANT/SUBCONTRACTOR (Provide Names, Dates, Hours & Amounts)	\$ -					
Other:	\$ -					
Reimbursement for profession MD services provided to the SF clients at Canyon Manor.	\$ 20,000.00	20,000				
	\$ -					
	\$ -					
	\$ -					
	\$ -					
	\$ -					

<b>TOTAL OPERATING EXPENSE</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
--------------------------------	-----------------	-----------------	------------	------------	------------	------------

**Appendix F**  
**Invoice**

Appendix F  
PAGE A

INVOICE NUMBER:	M01	JL	3
-----------------	-----	----	---

Ct.Blanket No.: BPHM TBD

User Cd

Fund Sources:	General Fund
---------------	--------------

Invoice Period : July 2013

Final Invoice:		(Check if Yes)
----------------	--	----------------

ACE Control Number:

\*Unduplicated Counts for AIDS Use Only.

4,148,089.88

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

DPH Authorization for Payment

Date \_\_\_\_\_

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR  
COST REIMBURSEMENT INVOICE**

Appendix F  
PAGE A

Control Number

**Contractor: Mental Health Management Inc. - Canyon Manor**

Address: 653 Canyon Road, P.O. Box 865, Novato, CA 94948

Tel. No.: (415) Tel. No.: (415) 892-1628

Fax No.: (415) Fax No.: (415) 892-8624

Contract Term: 07/01/2013 - 06/30/2014

PHP Division: Community Behavioral Health Services

INVOICE NUMBER: M03 JL 3

Ct. Blanket No.: BPHM TBD

Ct. PO No.: POHM DPHM13000037

Fund Source: General Fund

Invoice Period: July 2013

Final Invoice: (Check if Yes)

ACE Control Number:

Program/Exhibit	TOTAL CONTRACTED		DELIVERED THIS PERIOD		DELIVERED TO DATE		% OF TOTAL		REMAINING DELIVERABLES		% OF TOTAL	
	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC	UOS	UDC
B-1 Canyon Manor PC# - 38HB1												
							#DIV/0!				#DIV/0!	

Unduplicated Counts for AIDS Use Only.

Description	BUDGET	EXPENSES THIS PERIOD	EXPENSES TO DATE	% OF BUDGET	REMAINING BALANCE
Total Salaries	\$ -	\$ -	\$ -	0.00%	\$ -
Fringe Benefits	\$ -	\$ -	\$ -	0.00%	\$ -
<b>Total Personnel Expenses</b>	\$ -	\$ -	\$ -	0.00%	\$ -
Operating Expenses					
Occupancy	\$ -	\$ -	\$ -	0.00%	\$ -
Material and Supplies	\$ -	\$ -	\$ -	0.00%	\$ -
General Operating	\$ -	\$ -	\$ -	0.00%	\$ -
Staff Travel	\$ -	\$ -	\$ -	0.00%	\$ -
Consultant/ Subcontractor	\$ -	\$ -	\$ -	0.00%	\$ -
Other: Reimbursement for Profession MD svcs provided to the SF Clients at Canyon Manor	\$ 20,000.00	\$ -	\$ -	0.00%	\$ 20,000.00
	\$ -	\$ -	\$ -	0.00%	\$ -
	\$ -	\$ -	\$ -	0.00%	\$ -
<b>Total Operating Expenses</b>	\$ 20,000.00	\$ -	\$ -	0.00%	\$ 20,000.00
Capital Expenditures	\$ -	\$ -	\$ -	0.00%	\$ -
<b>TOTAL DIRECT EXPENSES</b>	\$ 20,000.00	\$ -	\$ -	0.00%	\$ 20,000.00
Indirect Expenses	\$ -	\$ -	\$ -	0.00%	\$ -
<b>TOTAL EXPENSES</b>	\$ 20,000.00	\$ -	\$ -	0.00%	\$ 20,000.00
Less: Initial Payment Recovery					
Other Adjustments (DPH use only)					
<b>REIMBURSEMENT</b>		\$ -			

NOTES:

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Send to:  
Community Program Budget/ Invoice Analyst  
1380 Howard St., 4th Floor  
San Francisco, CA 94103

DPH Authorization for Payment

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Date



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/06/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0E77964 Argo Insurance Brokers, Inc. 2300 Contra Costa Blvd Suite 375 Pleasant Hill, CA 94523	1-925-671-5110	CONTACT NAME: Eileen Hollander PHONE (A/C, No, Ext): 925-852-0445 E-MAIL: eileenh@argoinurance.com ADDRESS: eileenh@argoinurance.com	FAX (A/C, No): 925-852-0495
INSURED Mental Health Mgt., Inc., Mental Health Mgt. I, Inc., DBA: Canyon Manor, Marin County S.A.R.T. Program, Inc. 655 Canyon Road Novato, CA 94947		INSURER(S) AFFORDING COVERAGE	
		INSURER A: AMERICAN EMPIRE SURPLUS LINES INS CO	NAIC # 35351
		INSURER B: SENTINEL INS CO LTD	11000
		INSURER C: ZURICH AMER INS CO	16535
		INSURER D:	
		INSURER E:	
		INSURER F:	

## COVERAGES

CERTIFICATE NUMBER: 34066014

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X		13CG0175419	06/01/13	06/01/14	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
B	AUTOMOBILE LIABILITY	X		57UUNAM8624	04/01/13	04/01/14	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input checked="" type="checkbox"/> ANY AUTO						
	<input type="checkbox"/> ALL OWNED AUTOS						
	<input type="checkbox"/> HIRED AUTOS						
	<input type="checkbox"/> SCHEDULED AUTOS						
	<input type="checkbox"/> NON-OWNED AUTOS						
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	DED						\$
	RETENTION \$						
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC969732801	01/01/13	01/01/14	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				
	If yes, describe under DESCRIPTION OF OPERATIONS below						
A	Professional Liability			13CG0175419	06/01/13	06/01/14	\$1,000,000 3,000,000 Per Incident Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The City & County of San Francisco, It's Officers, Agents and Employees are Additional Insureds per the language provided in the attached endorsement.

Applicable Form(s): CG2026 1185 &amp; HA9916 0312

## CERTIFICATE HOLDER

## CANCELLATION

City and County of San Francisco  
CBHS, Office of Contract Management and Compliance  
Attn: Brenda Mendieta  
1380 Howard Blvd. Room #442  
San Francisco, CA 94103

USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2010 ACORD CORPORATION. All rights reserved.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

#### **1. BROAD FORM INSURED**

##### **A. Subsidiaries and Newly Acquired or Formed Organizations**

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is a partnership or joint venture,
  - (b) That is an "insured" under any other policy,
  - (c) That has exhausted its Limit of Insurance under any other policy, or
  - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **B. Employees as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

##### **C. Lessors as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor and
  - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

##### **D. Additional Insured if Required by Contract**

(1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

### 3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

### 4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

### 5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

### 6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

### 7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

### 8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
06/06/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LIC #0E77964 1-925-671-5110

Argo Insurance Brokers, Inc.

2300 Contra Costa Blvd  
Suite 375  
Pleasant Hill, CA 94523

CONTACT NAME: Eileen Hollander

PHONE (A/C, No, Ext): 925-852-0445

FAX (A/C, No): 925-852-0495

E-MAIL ADDRESS: eileenh@argoinsurance.com

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: GREAT AMER INS CO

16691

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

## INSURED

Mental Health Mgt., Inc., Mental Health Mgt. I, Inc., DBA:  
Canyon Manor, Marin County S.A.R.T. Program, Inc.  
655 Canyon Road

Novato, CA 94947

## COVERAGES

CERTIFICATE NUMBER: 34063948

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY						EACH OCCURRENCE \$
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/>						MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
							GENERAL AGGREGATE \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO						BODILY INJURY (Per person) \$
	ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
	SCHEDULED AUTOS						\$
	NON-OWNED AUTOS						
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	CLAIMS-MADE <input type="checkbox"/>						\$
	DED <input type="checkbox"/> RETENTION \$						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
A	Crime Bond			SAA3756772	07/01/13	07/01/14	Crime 1,027,024
	Employee Dishonesty						Deductible 10,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City and County of San Francisco acknowledged as Loss Payee

## CERTIFICATE HOLDER

## CANCELLATION

City and County of San Francisco  
CBHS, Office of Contract Management and Compliance  
Attn: Brenda Mendieta  
1380 Howard Blvd. Room #442

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

San Francisco, CA 94103

USA

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ACORD 25 (2010/05)

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EHollander

34063948



**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Second Amendment**

THIS AMENDMENT (this "Amendment") is made as of this 1<sup>st</sup> day of July, 2014, in San Francisco, California, by and between **Mental Health Management, Inc., dba Canyon Manor** ("Contractor"), and the **City and County of San Francisco**, a municipal corporation ("City"), acting by and through its Director of Public Health.

**Recitals**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the contract and increase the contract amount;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**a. Agreement.** The term "Agreement" shall mean the Agreement dated October 1, 2008, Contract Number BPHM09000042, between Contractor and City, as amended by this second amendment.

**b. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**a. Section 2 Term of the Agreement currently reads as follows:**

**2. Term of the Agreement**

Subject to Section 1, the term of this Agreement shall be from October 1, 2008 to December 31, 2014.

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

- Option 1: July 1, 2014 - June 30, 2015
- Option 2: July 1, 2015 - June 30, 2016
- Option 3: July 1, 2016 - June 30, 2017
- Option 4: July 1, 2017 - June 30, 2018

**Such section is hereby amended in its entirety to read as follows:**

**2. Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from October 1, 2008 to June 30, 2018.

**b. Section 5. Compensation of the Agreement currently reads as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Twenty Six Million, Five Hundred Thirty Thousand Eight Hundred Forty-Seven Dollars (\$26,530,847). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Thirty One Million Two Hundred Thirty Four Thousand, Eight Hundred Forty Seven Dollars (\$31,234,847). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

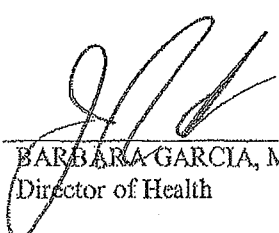
IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first referenced above.

CITY

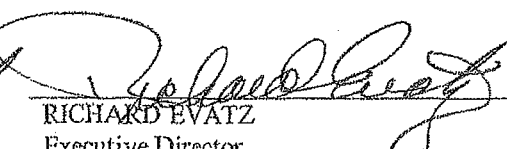
CONTRACTOR

Recommended by:

Mental Health Management Inc., dba Canyon Manor

  
BARBARA GARCIA, MPA  
Director of Health

8/6/14  
Date

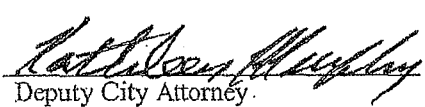
  
RICHARD EVATZ  
Executive Director  
655 Canyon Road  
Novato, CA 94948

7/29/14  
Date

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

City vendor number: 12323

By:   
Deputy City Attorney

8/13/14  
Date

Approved:

JACI FONG  
Director Office of Contract  
Administration and Purchaser

Date

## Appendix B Calculation of Charges

### 1. Method of Payment

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those appendices which include General Fund monies.

(1) Fee for Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

(2) Cost Reimbursement (Monthly Reimbursement for Actual Expenditures within Budget:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month for reimbursement of the actual costs for SERVICES of the preceding month. All costs associated with the SERVICES shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

### B. Final Closing Invoice

(1) Fee For Service Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

(2) Cost Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

D. Upon execution of this Agreement, contingent upon prior approval by the CITY'S Department of Public Health of each year's revised Appendix A (Description of Services) and each year's revised Appendix B (Cost Reporting Data Collection Form), and within each fiscal year, the CITY agrees to make an initial payment to CONTRACTOR not to exceed twenty-five per cent (25%) of the General Fund portion of the CONTRACTOR'S allocation for the applicable fiscal year.

CONTRACTOR agrees that within that fiscal year, this initial payment shall be recovered by the CITY through a reduction to monthly payments to CONTRACTOR during the period of October 1 through March 31 of the applicable fiscal year, unless and until CONTRACTOR chooses to return to the CITY all or part of the initial payment for that fiscal year. The amount of the initial payment recovered each month shall be calculated by dividing the total initial payment for the fiscal year by the total number of months for recovery. Any termination of this Agreement, whether for cause or for convenience, will result in the total outstanding amount of the initial payment for that fiscal year being due and payable to the CITY within thirty (30) calendar days following written notice of termination from the CITY.

## **2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1 Mental Health Management, Inc., dba Canyon Manor Cost Report Data Collection (CRDC) Form

### **B. COMPENSATION**

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Cost Reporting/Data Collection (CR/DC) and Program Budget, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed Thirty One Million Two Hundred Thirty Four Thousand, Eight Hundred Forty Seven Dollars (\$31,234,847) for the period of October 1, 2008 through June 30, 2018.

CONTRACTOR understands that, of this maximum dollar obligation, \$1,547,819 is included as a contingency amount and is neither to be used in Appendix B, Budget, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Budget, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of

Services, and a revised Appendix B, Cost Reporting Data Collection form, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these appendices in compliance with the instructions of the Department of Public Health. These appendices shall apply only to the fiscal year for which they were created. These appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Budget and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Budget and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Cost Reporting Data Collection form, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

October 1, 2008-June 30, 2009	\$3,122,814
July 1, 2009-June 30, 2010	\$3,981,222
July 1, 2010-June 30, 2011	\$3,981,222
July 1, 2011-June 30, 2012	\$3,981,222
July 1, 2012-June 30, 2013	\$4,168,339
July 1, 2013-June 30, 2014	\$4,168,339
July 1, 2014-December 31, 2014	\$2,083,870
January 1, 2015-June 30, 2015	\$600,000
July 1, 2015-June 30, 2016	\$1,200,000
July 1, 2016-June 30, 2017	\$1,200,000
July 1, 2017-June 30, 2018	\$1,200,000
contingency	\$1,547,819
<b>Total</b>	<b>\$31,234,847</b>

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR  
FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE**

Appendix F  
PAGE A

Control Number

Contractor: Mental Health Management Inc. - Canyon Manor

Address: 653 Canyon Road, P.O. Box 865, Novato, CA 94948

Tel. No.: (415) 892-1628

Fax No.: (415) 892-8624

Contract Term : 07/01/2014 - 06/30/2015

PHP Division: Community Behavioral Health Services

**CBHS**

INVOICE NUMBER: M01 JL 14

Ct.Blanket No.: BPHM TBD

CL PO No.: POHM TBD

Fund Sources: General Fund

Invoice Period : July 2014

Final Invoice: (Check if Yes)

ACE Control Number:

Unduplicated Clients for Exhibit:	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC

Unduplicated Counts for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (MH Only)		Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
		UOS	CLIENTS	UOS	CLIENTS			UOS	CLIENTS	UOS	CLIENT	UOS	CLIENTS
3-1 Canyon Manor PC# 38HB1 - HMMHMLT730416													
35/36 - 39 IMD with Patch		5,363.00				\$ 247.27	\$ -	0.000		0.00%		5,363.000	
TOTAL		5,363.00		0.000				0.000		0.00%		5,363.000	
		Budget Amount			\$ 1,334,170.00			Expenses To Date		% of Budget	Remaining Budget		
								\$ -		0.00%		\$ 1,334,170.00	



City and County of San Francisco  
Office of Contract Administration  
Purchasing Division  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685

Agreement between the City and County of San Francisco and

Crestwood Behavioral Health, Inc.

This Agreement is made this 1st day of October 2008, in the City and County of San Francisco, State of California, by and between: Crestwood Behavioral Health, Inc., 7590 Shoreline Drive, Stockton, California, 95219, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

Recitals

WHEREAS, the Department of Public Health, Community Behavioral Health Services, ("Department") wishes to provide mental health and substance abuse services; and,

WHEREAS, a Request for Proposal ("RFP") was issued on January 29, 2008, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number 2013 04/05 on June 6, 2005;

Now, THEREFORE, the parties agree as follows:

**1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation**

This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

**2. Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from October 1, 2008 to June 30, 2013.

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

- Option 1: July 1, 2013 - June 30, 2014
- Option 2: July 1, 2014 - June 30, 2015
- Option 3: July 1, 2015 - June 30, 2016
- Option 4: July 1, 2016 - June 30, 2017
- Option 5: July 1, 2017 - June 30, 2018

**3. Effective Date of Agreement**

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

**4. Services Contractor Agrees to Perform**

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Forty Eight Million, Seven Hundred Eighty Seven Thousand, One Hundred Fifty Six Dollars (\$48,787,156). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

**6. Guaranteed Maximum Costs**

a. The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

#### **7. Payment; Invoice Format**

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number and must conform to Appendix F. All amounts paid by City to Contractor shall be subject to audit by City.

Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

#### **8. Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

#### **9. Disallowance**

If Contractor claims or receives payment from City for a service, reimbursement for which is later disallowed by the State of California or United States Government, Contractor shall promptly refund the disallowed amount to City upon City's request. At its option, City may offset the amount disallowed from any payment due or to become due to Contractor under this Agreement or any other Agreement.

By executing this Agreement, Contractor certifies that Contractor is not suspended, debarred or otherwise excluded from participation in federal assistance programs. Contractor acknowledges that this certification of eligibility to receive federal funds is a material terms of the Agreement.

#### **10. Taxes**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

#### **11. Payment Does Not Imply Acceptance of Work**

The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

#### **12. Qualified Personnel**

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

#### **13. Responsibility for Equipment**

City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

#### **14. Independent Contractor; Payment of Taxes and Other Expenses**

##### **a. Independent Contractor**

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with

any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

**b. Payment of Taxes and Other Expenses.**

Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

**15. Insurance**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(4) Professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty (30) days' advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Office of Contract Management and Compliance  
Department of Public Health  
101 Grove Street, Room 307  
San Francisco, California 94102

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

## 16. Indemnification

Contractor Agrees to defend, indemnify and hold harmless the City and County of San Francisco, its officers, employees and agents, from any and all acts, claims, omissions, liabilities and losses by whomever asserted arising out of acts or omissions of Contractor in the performance of the scope of work except those arising by reason of the sole negligence of the City and County of San Francisco, its officers, employees and agents.

City and County of San Francisco agrees to defend, indemnify and hold harmless Contractor, its officers, employees and agents, from any and all acts, claims, liabilities and losses by whomever asserted arising out of acts or omissions of the City and County of San Francisco in its obligations under this agreement except those arising by reason of the sole negligence of contractor, its officers, employees and agents.

In the event of concurrent negligence of City, its officers, employees and agents, and Contractor and its officers, employees and agents, the liability for any and all claims for injuries or damages to persons and/or property shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

#### **17. Incidental and Consequential Damages**

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

#### **18. Liability of City**

CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

#### **19. Left blank by agreement of the parties. (Liquidated damages)**

#### **20. Default; Remedies**

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, 53, 55, 57, 58, and item 1 of Appendix D attached to this Agreement.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or

any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

## **21. Termination for Convenience**

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.



(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

## 22. Rights and Duties upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, 57 and item 1 of Appendix D attached to this Agreement.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

## 23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

## 24. Proprietary or Confidential Information of City

*Protect proprietary data*

a. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall

exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

b. Contractor shall maintain the usual and customary records for persons receiving Services under this Agreement. Contractor agrees that all private or confidential information concerning persons receiving Services under this Agreement, whether disclosed by the City or by the individuals themselves, shall be held in the strictest confidence, shall be used only in performance of this Agreement, and shall be disclosed to third parties only as authorized by law. Contractor understands and agrees that this duty of care shall extend to confidential information contained or conveyed in any form, including but not limited to documents, files, patient or client records, facsimiles, recordings, telephone calls, telephone answering machines, voice mail or other telephone voice recording systems, computer files, e-mail or other computer network communications, and computer backup files, including disks and hard copies. The City reserves the right to terminate this Agreement for default if Contractor violates the terms of this section.

c. Contractor shall maintain its books and records in accordance with the generally accepted standards for such books and records for five years after the end of the fiscal year in which Services are furnished under this Agreement. Such access shall include making the books, documents and records available for inspection, examination or copying by the City, the California Department of Health Services or the U.S. Department of Health and Human Services and the Attorney General of the United States at all reasonable times at the Contractor's place of business or at such other mutually agreeable location in California. This provision shall also apply to any subcontract under this Agreement and to any contract between a subcontractor and related organizations of the subcontractor, and to their books, documents and records. The City acknowledges its duties and responsibilities regarding such records under such statutes and regulations.

d. The City owns all records of persons receiving Services and all fiscal records funded by this Agreement if Contractor goes out of business. Contractor shall immediately transfer possession of all these records if Contractor goes out of business. If this Agreement is terminated by either party, or expires, records shall be submitted to the City upon request.

e. All of the reports, information, and other materials prepared or assembled by Contractor under this Agreement shall be submitted to the Department of Public Health Contract Administrator and shall not be divulged by Contractor to any other person or entity without the prior written permission of the Contract Administrator listed in Appendix A.

## **25. Notices to the Parties**

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To CITY:	Office of Contract Management and Compliance Department of Public Health 1380 Howard Street, 4 <sup>th</sup> Floor San Francisco, California 94103	FAX: (415) 252-3088 e-mail: <a href="mailto:David.Folmar@sfdph.org">David.Folmar@sfdph.org</a>
And:	Susie Reichert Community Behavioral Health Services 1380 Howard Street, 5 <sup>th</sup> Floor San Francisco, Ca 94103	FAX: (415) 255-3657 e-mail: <a href="mailto:Susie.Reichert@sfdph.org">Susie.Reichert@sfdph.org</a>
To CONTRACTOR:	Crestwood Behavioral health, Inc 7590 Shoreline drive Stockton, California 95218	FAX: (209) 957-2671 e-mail: <a href="mailto:GZEYEN@CBHI.NET">GZEYEN@CBHI.NET</a>

Any notice of default must be sent by registered mail.

## **26. Ownership of Results**

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its

subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

## **27. Works for Hire**

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

## **28. Audit and Inspection of Records**

a. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

b. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report and the associated management letter(s) shall be transmitted to the Director of Public Health or his /her designee within one hundred eighty (180) calendar days following Contractor's fiscal year end date. If Contractor expends \$500,000 or more in Federal funding per year, from any and all Federal awards, said audit shall be conducted in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Said requirements can be found at the following website address: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. If Contractor expends less than \$500,000 a year in Federal awards, Contractor is exempt from the single audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal Agency, pass-through entity and General Accounting Office. Contractor agrees to reimburse the City any cost adjustments necessitated by this audit report. Any audit report which addresses all or part of the period covered by this Agreement shall treat the service components identified in the detailed descriptions attached to Appendix A and referred to in the Program Budgets of Appendix B as discrete program entities of the Contractor.

c. The Director of Public Health or his / her designee may approve of a waiver of the aforementioned audit requirement if the contractual Services are of a consulting or personal services nature, these Services are paid for through fee for service terms which limit the City's risk with such contracts, and it is determined that the work associated with the audit would produce undue burdens or costs and would provide minimal benefits. A written request for a waiver must be submitted to the DIRECTOR ninety (90) calendar days before the end of the Agreement term or Contractor's fiscal year, whichever comes first.

d. Any financial adjustments necessitated by this audit report shall be made by Contractor to the City. If Contractor is under contract to the City, the adjustment may be made in the next subsequent billing by Contractor to the City, or may be made by another written schedule determined solely by the City. In the event Contractor is not under contract to the City, written arrangements shall be made for audit adjustments.

## **29. Subcontracting**

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the

name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

### **30. Assignment**

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

### **31. Non-Waiver of Rights**

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

### **32. Earned Income Credit (EIC) Forms**

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

### **33. Local Business Enterprise Utilization; Liquidated Damages**

#### **a. The LBE Ordinance**

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the

LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

**b. Compliance and Enforcement**

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

**34. Nondiscrimination; Penalties**

**a. Contractor Shall Not Discriminate**

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

**b. Subcontracts**

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

**c. Nondiscrimination in Benefits**

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic

partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

**d. Condition to Contract**

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

**e. Incorporation of Administrative Code Provisions by Reference**

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

**35. MacBride Principles—Northern Ireland**

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

**36. Tropical Hardwood and Virgin Redwood Ban**

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**37. Drug-Free Workplace Policy**

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

**38. Resource Conservation**

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

**39. Compliance with Americans with Disabilities Act**

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

#### **40. Sunshine Ordinance**

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

#### **41. Public Access to Meetings and Records**

If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

#### **42. Limitations on Contributions**

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

#### **43. Requiring Minimum Compensation for Covered Employees**

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco). A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor.

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.



#### 44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse). Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

1. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

#### **45. First Source Hiring Program**

##### **a. Incorporation of Administrative Code Provisions by Reference**

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

##### **b. First Source Hiring Agreement**

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

**c. Hiring Decisions**

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

**d. Exceptions**

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

**e. Liquidated Damages**

Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the

FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

**f. Subcontracts**

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

**46. Prohibition on Political Activity with City Funds**

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

**47. Preservative-treated Wood Containing Arsenic**

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

#### **48. Modification of Agreement**

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. **If contract is more than 50K, add the following sentence.** CONTRACTOR shall cooperate with Department of Public Health to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than twenty percent 20% (HRC Contract Modification Form).

#### **49. Administrative Remedy for Agreement Interpretation – DELETED by mutual agreement of the parties**

#### **50. Agreement Made in California; Venue**

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

#### **51. Construction**

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

#### **52. Entire Agreement**

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

#### **53. Compliance with Laws**

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

#### **54. Services Provided by Attorneys**

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

## **55. Supervision of Minors**

Contractor, and any subcontractors, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Contractor, or any subcontractor, in which he or she would have supervisory or disciplinary power over a minor under his or her care.

If Contractor, or any subcontractor, is providing services at a City park, playground, recreational center or beach (separately and collectively, "Recreational Site"), Contractor shall not hire, and shall prevent its subcontractors from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3).

If Contractor, or any of its subcontractors, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Contractor shall comply, and cause its subcontractors to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Contractor shall provide, or cause its subcontractors to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian.

Contractor shall expressly require any of its subcontractors with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subcontractor.

Contractor acknowledges and agrees that failure by Contractor or any of its subcontractors to comply with any provision of this section of the Agreement shall constitute an Event of Default. Contractor further acknowledges and agrees that such Event of Default shall be grounds for the City to terminate the Agreement, partially or in its entirety, to recover from Contractor any amounts paid under this Agreement, and to withhold any future payments to Contractor. The remedies provided in this Section shall not limited any other remedy available to the City hereunder, or in equity or law for an Event of Default, and each remedy may be exercised individually or in combination with any other available remedy. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

## **56. Severability**

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

## **57. Protection of Private Information**

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

## **58. Graffiti Removal**

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

## **59. Food Service Waste Reduction Requirements**

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

**60. Left blank by agreement of the parties. (Slavery era disclosure)**

**61. Dispute Resolution Procedure -N/A**

**62. Additional Terms**

Additional Terms are attached hereto as Appendix D and are incorporated into this Agreement by reference as though fully set forth herein.



IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY

CONTRACTOR

Recommended by:

Crestwood Behavioral Health, Inc

  
\_\_\_\_\_  
MITCHELL H. KATZ, M.D.  
Director of Health

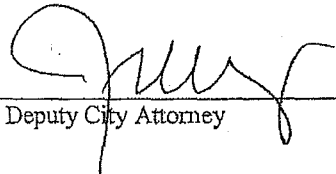
12/1/08  
Date

Approved as to Form:


Dennis J. Herrera  
City Attorney

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

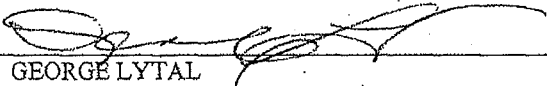
I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

By:  \_\_\_\_\_  
Deputy City Attorney / 12-24-08  
Date

Approved:

  
\_\_\_\_\_  
NAOMI KELLY  
Director Office of Contract  
Administration and Purchaser

Date

 \_\_\_\_\_  
GEORGE LYTAL  
President and CEO  
7590 Shoreline Drive  
Stockton, California 95219

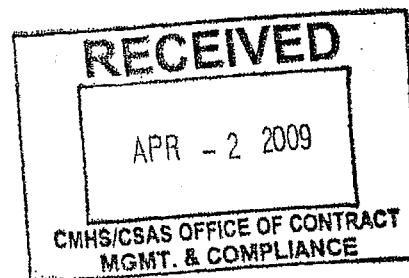
11/25/08  
Date

City vendor number: 47860

The Appendices listed below and attached hereto are incorporated into this Agreement by reference as though fully set forth herein.

**Appendices**

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C: Reserved
- D: Additional Terms
- E: HIPAA Business Associate Agreement
- F: Invoice
- G: Privacy Policy Compliance Standards
- H: Emergency Response



## Appendix A

### COMMUNITY BEHAVIORAL HEALTH SERVICES

The following requirements are incorporated into Appendix A, as provided in this Agreement under Section 4. SERVICES.

A. Contract Administrator:

In performing the SERVICES hereunder, CONTRACTOR shall report to Susie Reichert, Contract Administrator for the CITY, or her designee.

B. Reports:

(1) CONTRACTOR shall submit written reports as requested by the CITY. The format for the content of such reports shall be determined by the CITY. The timely submission of all reports is a necessary and material term and condition of this Agreement. All reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

(2) CONTRACTOR agrees to submit to the Director of Public Health or his designated agent (hereinafter referred to as "DIRECTOR") the following reports: Annual County Plan Data; Utilization Review Data and Quarterly Reports of De-certifications; Peer Review Plan, Quarterly Reports, and relevant Peer Review data; Medication Monitoring Plan and relevant Medication Monitoring data; Charting Requirements, Client Satisfaction Data, Program Outcome Data, and Data necessary for producing bills and/or claims in conformance with the State of California Uniform Method for Determining Ability to Pay (UMDAP; the state's sliding fee scale) procedures.

C. Evaluation:

CONTRACTOR shall participate as requested with the CITY, State and/or Federal government in evaluative studies designed to show the effectiveness of CONTRACTOR'S SERVICES. CONTRACTOR agrees to meet the requirements of and participate in the evaluation program and management information systems of the CITY. The CITY agrees that any final written reports generated through the evaluation program shall be made available to CONTRACTOR within thirty (30) working days. CONTRACTOR may submit a written response within thirty working days of receipt of any evaluation report and such response will become part of the official report.

D. Possession of Licenses/Permits:

CONTRACTOR warrants the possession of all licenses and/or permits required by the laws and regulations of the United States, the State of California, and the CITY to provide the SERVICES. Failure to maintain these licenses and permits shall constitute a material breach of this Agreement.

Space owned, leased or operated by providers, including satellites, and used for SERVICES or staff shall meet local fire codes. Documentation of fire safety inspections and corrections of any deficiencies shall be made available to reviewers upon request.

E. Adequate Resources:

CONTRACTOR agrees that it has secured or shall secure at its own expense all persons, employees and equipment required to perform the SERVICES required under this Agreement, and that all such SERVICES shall be performed by CONTRACTOR, or under CONTRACTOR'S supervision, by persons authorized by law to perform such SERVICES.

F. Admission Policy:

Admission policies for the SERVICES shall be in writing and available to the public. Such policies must include a provision that clients are accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or AIDS/HIV status, except to the extent that the SERVICES are to be rendered to a specific population as described in Appendix A.

CONTRACTOR shall adhere to Title XIX of the Social Security Act and shall conform to all applicable Federal and State statutes and regulations. CONTRACTOR shall ensure that all clients will receive the same level of care regardless of client status or source of reimbursement when SERVICES are to be rendered.

G. San Francisco Residents Only:

Only San Francisco residents shall be treated under the terms of this Agreement. Exceptions must have the written approval of the Contract Administrator.

H. Grievance Procedure:

CONTRACTOR agrees to establish and maintain a written Client Grievance Procedure which shall include the following elements as well as others that may be appropriate to the SERVICES: (1) the name or title of the person or persons authorized to make a determination regarding the grievance; (2) the opportunity for the aggrieved party to discuss the grievance with those who will be making the determination; and (3) the right of a client dissatisfied with the decision to ask for a review and recommendation from the community advisory board or planning council that has purview over the aggrieved service. CONTRACTOR shall provide a copy of this procedure, and any amendments thereto, to each client and to the Director of Public Health or his/her designated agent (hereinafter referred to as "DIRECTOR"). Those clients who do not receive direct SERVICES will be provided a copy of this procedure upon request.

I. Infection Control, Health and Safety:

(1) CONTRACTOR must have a Bloodborne Pathogen (BBP) Exposure Control plan as defined in the California Code of Regulations, Title 8, §5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and record keeping.

(2) CONTRACTOR must demonstrate personnel policies/procedures for protection of staff and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.

(3) CONTRACTOR must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.

(4) CONTRACTOR is responsible for site conditions, equipment, health and safety of their employees, and all other persons who work or visit the job site.

(5) CONTRACTOR shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.

(6) CONTRACTOR shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.

(7) CONTRACTOR assumes responsibility for procuring all medical equipment and supplies for use by their staff, including safe needle devices, and provides and documents all appropriate training.

(8) CONTRACTOR shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

J. Acknowledgment of Funding:

CONTRACTOR agrees to acknowledge the San Francisco Department of Public Health in any printed material or public announcement describing the San Francisco Department of Public Health-funded SERVICES. Such documents or announcements shall contain a credit substantially as follows: "This program/service/activity/research project was funded through the Department of Public Health, CITY and County of San Francisco."

K. Client Fees and Third Party Revenue:

(1) Fees required by federal, state or CITY laws or regulations to be billed to the client, client's family, or insurance company, shall be determined in accordance with the client's ability to pay and in conformance with all applicable laws. Such fees shall approximate actual cost. No additional fees may be charged to the client or the client's family for the SERVICES. Inability to pay shall not be the basis for denial of any SERVICES provided under this Agreement.

(2) CONTRACTOR agrees that revenues or fees received by CONTRACTOR related to SERVICES performed and materials developed or distributed with funding under this Agreement shall be used to increase the gross program funding such that a greater number of persons may receive SERVICES. Accordingly, these revenues and fees shall not be deducted by CONTRACTOR from its billing to the CITY.

(3) CONTRACTOR agrees that funds received by CONTRACTOR from a source other than the CITY to defray any portion of the reimbursable costs allowable under this Agreement shall be reported to the CITY and deducted by CONTRACTOR from its billings to the CITY to ensure that no portion of the CITY'S reimbursement to CONTRACTOR is duplicated.

L. Billing and Information System

CONTRACTOR agrees to participate in the CITY'S Community Mental Health Services (CMHS) and Community Substance Abuse Services (CSAS) Billing and Information System (BIS) and to follow data reporting procedures set forth by the CMHS/CSAS BIS and Quality Improvement Units.

M. Patients Rights:

All applicable Patients Rights laws and procedures shall be implemented.

N. Under-Utilization Reports:

For any quarter that CONTRACTOR maintains less than ninety percent (90%) of the total agreed upon units of service for any mode of service hereunder, CONTRACTOR shall immediately notify the Contract Administrator in writing and shall specify the number of underutilized units of service.

O. Quality Improvement:

CONTRACTOR agrees to develop and implement a Quality Improvement Plan based on internal standards established by CONTRACTOR applicable to the SERVICES as follows:

- (1) Staff evaluations completed on an annual basis.
- (2) Personnel policies and procedures in place, reviewed and updated annually.
- (3) Board Review of Quality Improvement Plan.

P. Clinics to Remain Open:

Outpatient clinics are part of the San Francisco Department of Public Health Community Mental Health Services public safety net; as such, these clinics are to remain open to referrals from the CMHS Central Access Team, to individuals requesting services from the clinic directly, and to individuals being referred from institutional care. Clinics serving children, including comprehensive clinics, shall remain open to referrals from the 3632 unit and the Foster Care unit. Remaining open shall be in force for the duration of this Agreement. Payment for SERVICES provided under this Agreement may be withheld if an outpatient clinic does not remain open.

Remaining open shall include offering individuals being referred or requesting SERVICES appointments within 24-48 hours (1-2 working days) for the purpose of assessment and disposition/treatment planning, and for arranging appropriate dispositions.

In the event that the CONTRACTOR, following completion of an assessment, determines that it cannot provide treatment to a client meeting medical necessity criteria, CONTRACTOR shall be responsible for the client until CONTRACTOR is able to secure appropriate services for the client.

CONTRACTOR acknowledges its understanding that failure to provide SERVICES in full as specified in Appendix A of this Agreement may result in immediate or future disallowance of payment for such SERVICES, in full or in part, and may also result in CONTRACTOR'S default or in termination of this Agreement.

Q. Quality Improvement:

CONTRACTOR agrees to participate in and comply with the current CMHS Quality Management Plan requirements.

R. Compliance with Community Mental Health Services and Community Substance Abuse Services Policies and Procedures

In the provision of SERVICES under Community Mental Health Services or Community Substance Abuse Services contracts, CONTRACTOR shall follow all applicable policies and procedures established for contractors by Community Mental Health Services or Community Substance Abuse Services, as applicable, and shall keep itself duly informed of such policies. Lack of knowledge of such policies and procedures shall not be an allowable reason for noncompliance.

S. Working Trial Balance with Year-End Cost Report

If CONTRACTOR is a Non-Hospital Provider as defined in the State of California Department of Mental Health Cost Reporting Data Collection Manual, it agrees to submit a working trial balance with the year-end cost report.

T. Harm Reduction

The program has a written internal Harm Reduction Policy that includes the guiding principles per Resolution # 10-00 810611 of the San Francisco Department of Public Health Commission.

2. **Description of Services**

Detailed description of services are listed below and are attached hereto

Appendix A-1 Crestwood Behavioral Health

**Contractor:**

**Program:** Crestwood Behavioral Health, Inc

**City Fiscal Year (CBHS only):**

**Appendix A**

**Contract Term (MM/DD/YY)**

07 /01/08 through 06 /30/ 09

**Funding Source (AIDS Office & CHPP only):**

**1. Crestwood Behavioral Health, Inc.**

520 Capitol Mall Ste. 800

Sacramento CA 95814

Telephone: (916) 471-2244

Facsimile: (916) 471-2212

**2. Nature of Document (check one)**

☐ New      ☒ Renewal      ☐ Modification

**3. Goal Statement**

The program goal at each Crestwood Facility is to provide innovative, recovery-based programs and maximize each individual's functional capacity fostering self-care and return to the highest level of independent living possible in the community. In addition, San Francisco Department of Public Health agrees to provide for those residents with specialized needs, medical and/or pharmaceutical supplies at its own expense patients placed upon authorization of the San Francisco Department of Public Health Placement Program into facilities designated by SF Placement authorization. This requires the specific approval of the Director of Placement.

**4. Target Population**

San Francisco residents admitted to Crestwood facilities recognized as IMD or licensed as MHRC will be 18 years to 64 years and have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to Crestwood facilities licensed as a SNF and not having IMD designation will be 18 years of age and above and will have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to Crestwood Fremont or Crestwood Idylwood Neurobehavioral units will have a primary diagnosis of dementia and will be covered under Exhibit A unless specifically identified by Community Behavioral Health Services (CBHS) Director of Placement as covered under this Exhibit.

Individuals who suffer exclusively from developmental disability, mental retardation, dementia, or physical illness without a psychiatric component will not be considered for admission to Crestwood Facilities with the exception of the Crestwood Idylwood Neurobehavioral beds for primary diagnosis of dementia.

If a San Francisco resident on voluntary status or private conservatee is referred by the Long Term Care Program to Crestwood, an addendum to the admission agreement will be signed by private conservator or voluntary resident in advance of admission indicating that voluntary individual or private conservator will comply with CMHS' utilization management decisions regarding the individual's readiness to move to a lower level of care.

Contractor:

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Contract Term (MM/DD/YY)

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City Fiscal Year (CBHS only):

Funding Source (AIDS Office & CHPP only):

## 5. Modality(ies)/Interventions

Crestwood programs operate under a recovery/psycho-social rehabilitation model. The focus of the program is to assist each consumer to build strengths, self-reliance, and independence as well as improving the physical health of consumers.

In the MHRC and community based services level support is provided by staff, the consumer is responsible for maintaining both personal and shared space while in the program. It is through self-efficacy, independence, and ownership of the program that the consumer gains the skills, support, and confidence to transition toward living in the community. They are involved in the writing of their own treatment goals and are expected to participate in the treatment program.

Consumers are encouraged to be active participants and are encouraged to reach their highest potential of independence, self-sufficiency, and satisfaction. The program provides a structure of support and education, which gives the consumer an opportunity to manage and modify symptoms and behaviors that impact stability, as well as provide a strengthening of their natural support system. The program utilizes the healing arts, life skills, and pre-vocational training as guides and opportunities for greater self expression, self confidence, and meaningful accomplishments. The goal is successful community re-entry.

At the SNF/non IMD 24 hour skilled nursing care is provided with registered nurses on site 24 hours per day. We provide comprehensive psychiatric and behavioral evaluation and related services, as well as neurobehavioral services. Physical, occupational, and speech therapies (including swallowing rehabilitation) are available. We provide skilled nursing care for comprehensive wound management, complex medical cases, and complicated/traumatic orthopedic and rehabilitation.

## 6. Methodology

Crestwood Behavioral Health, Inc. offers comprehensive mental health services at all of its facilities, from short-term skilled stabilization, recovery and rehabilitation services to extended support services.

Each facility has a unique profile, offering different services (depending on the facility program) to assist each client in maximizing their wellness.

Program basic services include; Life skill training, money management, Wellness Recovery Action Planning, training on accessing community services, transitional programs, discharge planning, access to required medical treatment, up-to-date pharmacology, transportation to needed off-site services, bi-lingual programming, and psycho-social rehabilitation groups and classes.

### A. Describe program outreach, recruitment and advertisement:

Crestwood Behavioral Health Inc. utilizes their web site

[www.crestwoodbehavioralhealth.inc](http://www.crestwoodbehavioralhealth.inc) and newsletter to provide outreach, recruitment,

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promotion and advertisement. All outreach efforts are conducted in a culturally and linguistically competent manner, based on the demographics of each region.

**B. Describe your program's admission, enrollment, and/or intake criteria and process:**

Crestwood Behavioral Health, Inc. currently has a non-centralized intake system. This provides the discharge team and the Crestwood clinical staff an opportunity to explore the potential admission with a variety of programs to provide the highest level of efficacy. There are, on occasion, referrals that are denied by all of the CBHI programs. We utilize a central intake system where San Francisco can refer the clients that have been denied at the existing programs to a central intake system. The central intake system will evaluate the referral for appropriate placement within the Crestwood system. Together with San Francisco, Crestwood will determine what level of care the client requires prior to admission.

Crestwood will coordinate with San Francisco General Hospital and San Francisco Mental Health to determine the level of services needed for each referral.

Once the client is accepted to a Crestwood facility, central intake is no longer involved. Transportation, dates of arrival, etc. will be handled together by a representative of San Francisco and the individual facility that has accepted the client.

The facility administrator shall be accessible to San Francisco County Mental Health staff as needed throughout the admission process and treatment.

The Crestwood system of services shall provide an opportunity for consumers to be transferred from within the Crestwood system of programs to a higher or lower level of care as needed with the approval of the San Francisco DMH liaison. The transfer to a higher level of care for psychiatric or medical stabilization will not require that the person be sent back to SFGH, however, there may times when the stabilization needs are too great for a Crestwood facility and transfer to SFGH may be required.

The focus of the movement from within the Crestwood system will be directed to reintegration to the community whenever possible with attention focused on community living skill development and vocational preparation with the support of Dreamcatchers Empowerment Network. Consumers will be supported in their transition to the community by Crestwood staff, and this support may be expanded to include case management services continued post discharge as needed.

Every effort will be made to accept and treat all San Francisco referred clients while maintaining the overall safety of clients already in Crestwood facilities and the integrity of Crestwood programs. There may be cases where clients are refused by all Crestwood programs. In these cases, individual case conferences may be scheduled between San Francisco and Crestwood to determine if there is any way to accommodate the referral.



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City Fiscal Year (CBHS only):

Funding Source (AIDS Office & CHPP only):

San Francisco residents admitted to Crestwood Fremont or Crestwood Idylwood Neurobehavioral units will have a primary diagnosis of dementia and will be covered under Exhibit A.@ unless specifically identified by Community Behavioral Health Services (CBHS) Director of Placement as covered under this Exhibit.

Individuals admitted to any of the Crestwood facilities may also have concomitant medical problems and/ or have physical impairments requiring special needs that might include the use off a wheelchair, walker, or cane; individuals admitted to Crestwood may also have vision and/or hearing loss, or speech impediment.

Crestwood will primarily admit San Francisco residents directly from acute psychiatric inpatient units.

The Director of CBHS Placement or his/her designee will authorize referrals to Crestwood facilities into contracted beds. All such referrals will have been approved for locked psychiatric SNF, MHRC or community care licensed level of care.

Each San Francisco resident admitted to the Crestwood facilities into a contract bed will be reviewed every thirty (30) days by CMHS Utilization Review Nurse, who will monitor ongoing treatment and progress toward treatment goals including discharge as soon as clinically appropriate.

**C. Describe your program's service delivery model and how each service is delivered, e.g. phases of treatment, hours of operation, length of stay, locations, of service delivery, frequency and duration of service, strategies for service delivery, wrap-around services, etc.**

The programs at Crestwood Behavioral Health operate under a recovery based/ psycho-social rehabilitation model that holds the standard that all individuals can achieve a sense of personal satisfaction and lead a meaningful life, regardless of their diagnosis or circumstances.

The licensed nursing clinical staff shall provide the following:

- History and physical examination
- Admission note
- Weekly assessment note regarding effectiveness of treatment, issues related to ADLs,
- Medical needs and interventions documentation
- Admission orientation ad documentation
- Examination of conservatorship documentation and adherence to the specifications.
- Admission psycho-social assessment
- Recreation assessment
- Monthly and quarterly assessment of strengths, needs, abilities and

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The clinical program staff shall provide:

- Preferences and documentation.
- Support and documentation related to the clients participation in the treatment program provided at the facility and in the community.
- Individual support sessions with the clinical staff on the clients strengths, needs, abilities, and preferences, including the clients goals and progress
- Discharge/transition assessment, identification of obstacles to community re-entry and plan to provide support to facilitate a successful community re-entry plan.
- Linkage with community resources
- Dual recovery support and linkage to community dual recovery services
- Special treatment interventions with identified discipline related to provision of the care, including dual recovery, Cognitive Behavior Therapy, Dialectical Behavior Therapy, expressive arts, medical interventions, counseling and family therapy. These shall be provided through the treatment team and facility resources including consultants.
- Discharge planning including coordination with the CBHS Linkage Staff, conservator, physician and pharmacy and potential community placements.
- Wellness Recovery Action Plan (WRAP)

Length of stay and hours of service:

Each program has a specific length of stay, based on the target population and program interventions. All programs are 24 hours services.

Locations:

Crestwood Behavioral Health currently serves clients in the following programs –

Alameda  
Angwin  
Bakersfield  
Eureka  
Fremont  
Idylwood  
Modesto  
Redding  
Sacramento  
San Jose  
Solano - Our House and Livingquest  
Stockton

Our services are diverse and we are able to accommodate individuals with unique and challenging behavioral health issues.

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- D. Describe your program's exit criteria and process, e.g. successful completion, step-down process to less intensive treatment programs, aftercare, discharge planning.** Each program has distinct criteria for discharge/exit based on their target population. Discharge support services: Discharge/transition assessment, identification of obstacles to community re-entry and plan to provide support to facilitate a successful community re-entry plan. Crestwood provides linkage with community resources, dual recovery support and linkage to community dual recovery services.

Crestwood provides discharge planning including referrals to lower levels of care, coordination with the CBHS Linkage Staff, conservator, physician and pharmacy and potential community placements.

Social work documentation shall begin at point of admission with updates based on evaluation of resident's functional capacity. Documentation shall be relevant to resident's treatment goals and plans. Barriers to discharge will be identified and interventions that will address and/or resolve those barriers will be documented.

CBHS Linkage Staff, working in the Placement Program, and SPR staff will interface on a regular basis with Crestwood social services staff regarding the discharge readiness of residents.

When requested to make a resident ready for discharge or transfer, the facility will prepare all paperwork for resident discharge and make all arrangements within five (5) working days of receipt of written or verbal request from conservator, CBHS Linkage/Placement staff, or SPR staff.

Crestwood will notify Director of CBHS Placement or his/her designee by fax or telephone on the day of discharge of any San Francisco resident.

Crestwood will send medication and prescription information with resident upon discharge.

#### Need for Acute Hospitalization

In the event that the Crestwood facility(s) staff determines that a San Francisco resident should return to the acute hospital sector, the following procedures will be observed:

1. Emergency returns during working hours, Monday-Friday: refer to Psychiatric Emergency Return of San Francisco Residents Placed in out-of-county L-facilities (Manual No 3.03.3).
2. Non-emergency returns: an authorization is necessary from the Director of CBHS Placement or his/her designee.
3. Off-hour emergency returns: The CBHS Placement Director must be notified on the next working day of any emergency returns made during non-business hours.
4. The bed of any patient referred to the acute hospital will be held for seven (7) days pending his/her return.

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5. There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring facility will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

#### **E. Staffing:**

Each facility has separate and distinct staffing allocations which meet all requirement of Title 22 for SNF/STP, Title 9 and Commission of Accreditation of Rehabilitation Facilities for MHRC's and Title 22 and Commission of Accreditation of Rehabilitation Facilities for community care programs.

Facility staff shall include as required by specific licensure:

- Medical Director
- Director of Nursing Services
- Internist
- Psychiatrist
- Registered Nurses
- Licensed Psychiatric Technicians and Licensed Vocational Nurse
- Mental Health Workers
- Service coordinator/Case manager
- Peer Provider
- Recreation, Music, Art or dance Therapist
- Quality Assurance Supervisor

All staff shall perform duties specific to their professional scope of licensure or specific training.

**Attending psychiatrist's** court testimony when required and following conditions must be met:

- a. Be fully prepared, i.e., review resident chart prior to proceedings
- b. Appear on time and sit through the hearing process in order to provide expert testimony in resident's case
- c. In case of inability to attend, sufficient notice must be given by the psychiatrist. If time does not permit mailing notice, then the notice must be faxed to the mental health court.

The attending psychiatrist must make a note at least every thirty-(30) days that addresses:

1. Resident's current level of functioning, addressing all 5 Axis
2. Description of resident's behaviors that present as an obstacle to discharge.
3. Behavioral assessment of current behavioral barriers effecting discharge potential
4. Documentation to support significant changes in functioning level, progress/regression.
5. Specific justification as to why resident needs to remain at current level of care.
6. Document current dose of medication(s).

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7. Resident's response to medication(s).
8. Resident's compliance with medication(s).
9. Resident's use of PRN medication.
10. Notes shall reflect physician's use of laboratory results to determine adjustment to medication(s).
11. There shall be evidence of a monthly assessment and update

**Nursing Staff:** Nursing staff must make a note at least every seven- (7) days that addresses:

1. Nursing management of the resident specific to problems identified in the resident's treatment plan.
2. Areas of the resident's ADL's requiring nursing intervention and frequency of that intervention.

**Program Staff:**

1. Resident's attendance and participation in STP will be documented in resident's chart.
2. Resident will receive at least weekly individual sessions with STP group leader to discuss STP goals and progress.

## 7. Objectives and Measurements

### A. Performance/Outcome Objectives

1. Crestwood facilities licensed as MHRC or as SNF and designated, as IMD will not return more than three (2) San Francisco residents per month to PES.

**Measurement:** (1) The Long Term Care Director will be notified in advance of each situation involving a return to PES. (2) The facility will maintain a log of all patients transferred to PES and submit quarterly to Director of CBHS Placement.

2. Crestwood facilities licensed as SNF and not designated as IMD will not return more than three (3) San Francisco residents per fiscal year to PES.

**Measurement:** (1) The CBHS Placement Director will be notified in advance of each situation involving a return to PES. (2) The facility will maintain a log of all patients transferred to PES and submit quarterly to Director of CBHS Placement.

3. Crestwood facilities licensed as MHRC or those designated as IMD, in conjunction with the CBHS Utilization Review Nurse, will provide at a weekly meeting an updated list of San Francisco residents who are:

- a. Discharge ready and being referred for placement
- b. Have discharge potential within the next 90 days or

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c. Reside on an "enhanced or higher acuity bed/unit" and are ready to step-down to a "regular bed/unit"

**Measurement: Written report submitted to CBHS Placement Director.**

4. Crestwood facilities in conjunction with the CBHS Utilization Review Nurse, will identify, on a regular basis, obstacles to discharge for San Francisco residents who are not discharge ready or have discharge potential within 90 days.

**Measurement: Written report submitted to CBHS Placement Director**

5. A case conference involving Crestwood facilities treatment staff, CBHS Utilization Review Nurse, LPS Conservator, CBHS Linkage Social Worker and/or SPR staff shall be held at the point a San Francisco resident has been at any Crestwood facility for twelve (12) months. A case conference update will be held each six (6) months thereafter until individual is successfully discharged.

**Measurement: A written summary of case conference will be provided to the CBHS Placement Director.**

6. Crestwood facilities will ensure that a Continuous Quality Improvement (CQI) process is in place that focuses on the facility's utilization management, including length of stay.

Individual facility's medical staff will participate in a peer review process and peer review activities will be reported quarterly.

Each facility will participate in quality of care (critical incident) conferences involving San Francisco residents.

**Measurement: Facility will submit CQI reports to CBHS on a quarterly basis.**

7. Each Crestwood facility will provide a faxed individualized census report to the CBHS Director of Placement each Monday including holidays that will include the following elements:
  - a. Current census broken down by patient type
  - b. New admits since previous Monday
  - c. Discharges since previous Monday
  - d. Transfers to acute since previous Monday
  - e. Bed holds
  - f. Other activity/information

**Measurement: CBHS Director of Placement will receive Completed fax each Monday before noon.**

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8. Each Crestwood facility will provide a completed Placement Tracking form with each new admission and discharge. This form is to be faxed to the CBHS Director of Placement within 24-hour of the resident status change.

**Measurement: the CBHS Director of Placement will receive Completed Placement Tracking form with each San Francisco resident admission, transfer and discharge.**

9. There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring Crestwood facility will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

#### **8. Continuous Quality Improvement**

Crestwood facilities will ensure that a Continuous Quality Improvement Process, which is CARF accredited, is in place that focuses on the facility's utilization management, including length of stay.

Individual facility's medical staff will participate in a peer review process and peer review activities will be reported quarterly.

Each facility will participate in quality of care (critical incident) conferences involving San Francisco residents.

**Measurement: Facility will submit Quality Improvement reports to CBHS on a semi-annual basis.**

**Appendix B  
Calculation of Charges**

**1. Method of Payment**

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those appendices which include General Fund monies.

(1) Fee For Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates):

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

(2) Cost Reimbursement (Monthly Reimbursement for Actual Expenditures within Budget):

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month for reimbursement of the actual costs for SERVICES of the preceding month. All costs associated with the SERVICES shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

**B. Final Closing Invoice**

(1) Fee For Service Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

(2) Cost Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

**2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1 Rate Schedule



## **B. COMPENSATION**

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Rate Schedule, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed Forty Eight Million, Seven Hundred Eighty Seven Thousand, One Hundred Fifty Six Dollars (\$48,787,156) for the period of October 1, 2008 through June 30, 2013.

CONTRACTOR understands that, of this maximum dollar obligation, \$5,227,195 is included as a contingency amount and is neither to be used in Appendix B, Rate Schedule, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Rate Schedule, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of Services, and a revised Appendix B, Rate Schedule, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these appendices in compliance with the instructions of the Department of Public Health. These appendices shall apply only to the fiscal year for which they were created. These appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Rate Schedule and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Rate Schedule and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Rate Schedule, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

October 1, 2008 through June 30, 2009	\$6,877,889
July 1, 2009 through June 30, 2010	\$9,170,518
July 1, 2010 through June 30, 2011	\$9,170,518
July 1, 2011 through June 30, 2012	\$9,170,518
July 1, 2012 through June 30, 2013	<u>\$9,170,518</u>
October 1, 2008 through June 30, 2013	\$43,559,961

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.

RATE SCHEDULE  
FY 2008-09 APPENDIX B-1  
Date: July 1, 2008 Revised

<b>Facility</b>			
SAN JOSE			
SACRAMENTO			
VALLEJO			
FREMONT			
ALAMEDA			
IDYLWOOD			
SOLANO			
MODESTO			
ANGWIN			
STOCKTON			
AMERICAN RIVER			
FRUITRIDGE			
ENGLE HOUSE			
<b>GENERAL</b>	<b>Rate</b>	<b>7/1/2008</b>	
ADULT 1	180.91	189.00	VALLEJO
ADULT 1	199.04	208.00	SAN JOSE
ADULT 2	191.04	200.00	SAN JOSE
ADULT 2	214.91	225.00	VALLEJO
ADULT ENH M/CAL	64.72		
ADULT IMD	158.47	172.00	ALAMEDA
ADULT IMD	164.19	173.00	AMERICAN RIVER
ADULT M/CAL	30.72		
BED HOLD	(5.18)		
Day Rate- Level 1	20.00		
Day Treatment- Level 2	110.00		
GERI IMD	25.00		
GERI IMD DOC	27.00		
LEVEL 1	20.00		
LEVEL 1	25.00		
LEVEL 1	28.00		
LEVEL 1	140.00		
LEVEL 1 DOC	27.00		
LEVEL 2	28.00		
LEVEL 2	50.00		
LEVEL 2	190.00		
LEVEL 3	238.00		
LEVEL 3	257.34		
MHRC 1	190.00		
MHRC 2	214.00		
NEURO	118.00		
NEURO SINGLE	143.00		
NEURO SINGLE ROOM	257.34		
LEVEL 3	80.00		
STEP DOWN	50.00		
TRANSFER	20.00		

RATE SCHEDULE  
FY 2008-09 APPENDIX B-1  
Date: July 1, 2008 Revised

<b>Facility</b>			
SAN JOSE			
SACRAMENTO			
VALLEJO			
FREMONT			
ALAMEDA			
IDYLLWOOD			
SOLANO			
MODESTO			
ANGWIN			
STOCKTON			
AMERICAN RIVER			
FRUITRIDGE			
ENGLE HOUSE			
<b>BRIDGE</b>	<b>Rate</b>	<b>7/1/2008</b>	
ADULT 1	159.00	166.00	SACRAMENTO
ADULT 2	193.00	202.00	SACRAMENTO
ADULT 1	180.91	189.00	VALLEJO
ADULT 1	199.04	208.00	SAN JOSE
ADULT 2	191.04	200.00	SAN JOSE
ADULT 2	214.91	225.00	VALLEJO
ADULT ENH M/CAL	64.72		
ADULT IMD	158.47	172.00	ALAMEDA
ADULT IMD	164.19	173.00	AMERICAN RIVER
ADULT M/CAL	30.72		
BED HOLD	-5.18		
GERI IMD	25.00		
GERI IMD DOC	27.00		
IMD LEVEL 1	140.00		
IMD LEVEL 1	163.77		
LEVEL 1	20.00		
LEVEL 1	25.00		
LEVEL 1	28.00		
LEVEL 1	130.00		
Level 1 Day Rate	20.00		
LEVEL 1 DOC	27.00		
LEVEL 2	28.00		
LEVEL 2	50.00		
LEVEL 2	190.00		
Level 2 Day Treatment	110.00		
LEVEL 3	238.00		
LEVEL 3	257.34		
MHRC 1	190.00		
MHRC 2	214.00		
NEURO	118.00		
NEURO SINGLE	143.00		
NEURO SINGLE ROC	257.34		
LEVEL 3	80.00		
STEP DOWN	50.00		
TRANSFER	20.00		

RATE SCHEDULE  
 FY 2008-09 **APPENDIX B-1**  
 Date: July 1, 2008 Revised

<u>Facility</u>	
SAN JOSE	
SACRAMENTO	
VALLEJO	
FREMONT	
ALAMEDA	
IDYLWOOD	
SOLANO	
MODESTO	
ANGWIN	
STOCKTON	
<b>MHRF</b>	<b>Rate</b>
MHRF	200.00
MHRF	28.00
MHRF	17.00
MHRF	17.00
MHRF	118.00

**Appendix C**

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**Appendix D**  
**Additional Terms**

**1. HIPAA**

The parties acknowledge that CITY is a Covered Entity as defined in the Healthcare Insurance Portability and Accountability Act of 1996 ("HIPAA") and is therefore required to abide by the Privacy Rule contained therein. The parties further agree that CONTRACTOR falls within the following definition under the HIPAA regulations:

- ☐ A Covered Entity subject to HIPAA and the Privacy Rule contained therein; or
- ☒ A Business Associate subject to the terms set forth in Appendix E;
- ☐ Not Applicable, CONTRACTOR will not have access to Protected Health Information.

**2. THIRD PARTY BENEFICIARIES**

No third parties are intended by the parties hereto to be third party beneficiaries under this Agreement, and no action to enforce the terms of this Agreement may be brought against either party by any person who is not a party hereto.

**3. CERTIFICATION REGARDING LOBBYING**

*CONTRACTOR certifies to the best of its knowledge and belief that:*

A. No federally appropriated funds have been paid or will be paid, by or on behalf of CONTRACTOR to any persons for influencing or attempting to influence an officer or an 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 the awarding of any federal contract, the making of any federal grant, the entering into of any federal cooperative agreement, or the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan or cooperative agreement.

B. If any funds other than federally appropriated funds have been paid or will be paid to any persons 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 this federal contract, grant, loan or cooperative agreement, CONTRACTOR shall complete and submit Standard Form -111; "Disclosure Form to Report Lobbying," in accordance with the form's instructions.

C. CONTRACTOR shall require the language of this certification be included in the award documents for all subawards at all tiers, (including subcontracts, subgrants, and contracts under grants, loans and cooperation agreements) and that all subrecipients shall certify and disclose accordingly.

D. 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. Code. 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.

**4. MATERIALS REVIEW**

CONTRACTOR agrees that all materials, including without limitation print, audio, video, and electronic materials, developed, produced, or distributed by personnel or with funding under this Agreement shall be subject to review and approval by the Contract Administrator prior to such production, development or distribution. CONTRACTOR agrees to provide such materials sufficiently in advance of any deadlines to allow for adequate review. CITY agrees to conduct the review in a manner which does not impose unreasonable delays on CONTRACTOR'S work, which may include review by members of target communities.

**Appendix E**  
**HIPAA BUSINESS ASSOCIATE ADDENDUM**

This Appendix contains requirements set forth in the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public Law 104-191 and the regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws. The City and County of San Francisco, referred to in this agreement as CITY, is the Covered Entity and is referred to below as CE. The CONTRACTOR is the Business Associate, and is referred to below as Associate. The agreement between CITY and CONTRACTOR to which this Addendum is attached is referred to in this Addendum as the Contract.

This HIPAA Business Associate Addendum ("Addendum") supplements and is made a part of the contract ("Contract") by and between Covered Entity ("CE") and Business Associate ("Associate"), [and is effective as of April 14, 2003 for existing contracts and the effective date for future contracts].

**RECITALS**

A. CE wishes to disclose certain information to Associate pursuant to the terms of the Contract, some of which may constitute Protected Health Information ("PHI") (defined below).

B. CE and Associate intend to protect the privacy and provide for the security of PHI disclosed to Associate pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.

C. As part of the HIPAA Regulations, the Privacy Rule (defined below) requires CE to enter into a contract containing specific requirements with Associate prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.502(e) and 164.504(e) of the Code of Federal Regulations ("CFR") and contained in this Addendum.

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

**1. Definitions.**

A. **Business Associate** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103.

B. **Covered Entity** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 160.103.

C. **Data Aggregation** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.

D. **Designated Record Set** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.

E. **Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501.

F. **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 CFR Parts 160 and 164.

G. **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental 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; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR Section 164.501. [45 CFR §§ 160.103 and 164.501]

H. **Protected Information** shall mean PHI provided by CE to Associate or created or received by Associate on CE's behalf.

**2. Obligations of Associate.**



A. **Permitted Uses.** Associate shall not use Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under the Contract and Addendum. Further, Associate shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule if so used by CE except that Associate may use Protected Information (i) for the proper management and administration of Associate, (ii) to carry out the legal responsibilities of Associate, or (iii) for Data Aggregation purposes for the Health Care Operations of CE. [45 CFR §§ 164.504(e)(2)(i), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(i)]

B. **Permitted Disclosures.** Associate shall not disclose Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under the Contract and Addendum or in any manner that would constitute a violation of the Privacy Rule if disclosed by CE, except that Associate may disclose Protected Information (i) for the proper management and administration of Associate; (ii) to carry out the legal responsibilities of Associate; (iii) as required by law, or (iv) for Data Aggregation purposes for the Health Care Operations of CE.

To the extent that Associate discloses Protected Information to a third party, Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) an agreement from such third party to immediately notify Associate of any breaches of confidentiality of the Protected Information, to the extent it has obtained knowledge of such breach. [45 CFR §§ 164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)]

C. **Appropriate Safeguards.** Associate shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by this Contract. [45 CFR § 164.504(e)(2)(ii)(B)] Associate shall maintain a comprehensive written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Associate's operations and the nature and scope of its activities.

D. **Reporting of Improper Use or Disclosure.** Associate shall notify the compliance office of CE in writing of any use or disclosure of Protected Information otherwise than as provided for by the Contract and this Addendum within five (5) days of becoming aware of such use or disclosure. [45 CFR § 164.504(e)(2)(ii)(C)]. Such notice shall be sent to: DPH Compliance Office, 2789 Twenty-fifth Street, San Francisco, CA 94110 or can be sent via e-mail to CHN\_Hotline@chnsf.org.

E. **Associate's Agents.** Associate shall ensure that any agents, including subcontractors, to whom it provides Protected Information, agree in writing to the same restrictions and conditions that apply to Associate with respect to such PHI. [45 CFR § 164.504(e)(2)(D)] Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. (See 45 CFR §§ 164.530(f) and 164.530(e)(1))

F. **Access to Protected Information.** Associate shall make Protected Information maintained by Associate or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR Section 164.524. [45 CFR § 164.504(e)(2)(ii)(E)]

G. **Amendment of PHI.** Within ten (10) days of receipt of a request from CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, Associate or its agents or subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR Section 164.526. If any individual requests an amendment of Protected Information directly from Associate or its agents or subcontractors, Associate must notify CE in writing within five (5) days of the request. Any approval or denial of amendment of Protected Information maintained by Associate or its agents or subcontractors shall be the responsibility of CE. [45 CFR § 164.504(e)(2)(ii)(F)]

H. **Accounting Rights.** Within ten (10) days of notice by CE of a request for an accounting of disclosures of Protected Information, Associate and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR Section 164.528, as determined by CE. Associate agrees to implement a process that allows for an accounting to be collected and maintained by Associate and its agents or subcontractors for at least six (6) years prior to the request, but not before the compliance date of the Privacy Rule. At a minimum,



such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to Associate or its agents or subcontractors, Associate shall within five (5) days of a request forward it to CE in writing. It shall be CE's responsibility to prepare and deliver any such accounting requested. Associate shall not disclose any Protected Information except as set forth in Sections 2.b. of this Addendum. [45 CFR §§ 164.504(e)(2)(ii)(G) and 165.528]

**I. Governmental Access to Records.** Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining Associate's compliance with the Privacy Rule. [45 CFR § 164.504(e)(2)(ii)(H)] Associate shall provide to CE a copy of any Protected Information that Associate provides to the Secretary concurrently with providing such Protected Information to the Secretary.

**J. Minimum Necessary.** Associate (and its agents or subcontractors) shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [45 CFR § 164.514(d)(3)]

**K. Data Ownership.** Associate acknowledges that Associate has no ownership rights with respect to the Protected Information.

**L. Retention of Protected Information.** Notwithstanding Section 3.c of this Addendum, Associate and its subcontractors or agents shall retain all Protected Information throughout the term of the Contract and shall continue to maintain the information required under Section 2.h of this Addendum for a period of six (6) years after termination of the Contract. (See 45 CFR §§ 164.530(j)(2) and 164.526(d).

**M. Notification of Breach.** During the term of this Contract, Associate shall notify the Compliance Office of the CE within twenty-four (24) hours of any suspected or actual breach of security, intrusion or unauthorized use or disclosure of PHI of which Associate becomes aware and / or any actual or suspected use or disclosure of data in violation of any applicable federal or state laws or regulations. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.

Notification can occur through use of e-mail or by telephone. The Compliance Office E-mail address is [CHN\\_Hotline@chnsf.org](mailto:CHN_Hotline@chnsf.org) and the telephone numbers are: (415) 642-5790 and (415) 252-3078.

**N. Audits, Inspection and Enforcement Involving the Use of Protected Information.** Within ten (10) days of a written request by CE, Associate and its agents or subcontractors shall allow CE to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Addendum for the purpose of determining whether Associate has complied with this Addendum; provided, however, that (i) Associate and CE shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) CE shall protect the confidentiality of all confidential and proprietary information of Associate to which CE has access during the course of such inspection; and (iii) CE shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by Associate. The fact that CE inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Associate of its responsibility to comply with this Addendum, nor does CE's (i) failure to detect or (ii) detection, but failure to notify Associate or require Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of CE's enforcement rights under this Contract.

### **3. Termination.**

**A. Material Breach.** A breach by Associate of any material provision of this Addendum, as determined by CE, shall constitute a material breach of the Contract and shall provide grounds for immediate termination of the Contract by CE pursuant to Section 20 of the Contract. [45 CFR § 164.504(e)(2)(iii)]

**B. Judicial or Administrative Proceedings.** CE may terminate this Contract, effective immediately, if (i) Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HIPAA Regulations or

other security or privacy laws or (ii) a finding or stipulation that the Associate has violated any standard or requirement of HIPAA, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

**C. Effect of Termination.** Upon termination of this Contract for any reason, Associate shall, at the option of CE, return or destroy all Protected Information that Associate or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, Associate shall continue to extend the protections of Section 2 of this Addendum to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. [45 CFR § 164.504(e)(ii)(2)(I)] If CE elects destruction of the PHI, Associate shall certify in writing to CE that such PHI has been destroyed.

**4. Disclaimer.** CE makes no warranty or representation that compliance by Associate with this Addendum, HIPAA or the HIPAA Regulations will be adequate or satisfactory for Associate's own purposes. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of PHI.

**5. Certification.** To the extent that CE determines that such examination is necessary to comply with CE's legal obligations pursuant to HIPAA relating to certification of its security practices, CE or its authorized agents or contractors, may, at CE's expense examine Associate's facilities, systems, procedures and records as may be necessary for such agents or contractors to certify to CE the extent to which Associate's security safeguards comply with HIPAA, the HIPAA Regulations or this Addendum.

**6. Amendment.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Contract 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 Privacy Rule and other applicable laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from Associate that Associate will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the Privacy Rule or other applicable laws. CE may terminate this Contract upon thirty (30) days written notice in the event (i) Associate does not promptly enter into negotiations to amend this Contract when requested by CE pursuant to this Section or (ii) Associate does not enter into an amendment to this Contract providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the Privacy Rule.

**8. Assistance in Litigation or Administrative Proceedings.** Associate shall make itself, and any subcontractors, employees or agents assisting Associate in the performance of its obligations under this Contract, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the Privacy Rule or other laws relating to security and privacy, except where Associate or its subcontractor, employee or agent is a named adverse party.

**9. No Third Party Beneficiaries.** Nothing express or implied in this Contract is intended to confer, nor shall anything herein confer, upon any person other than CE, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

**10. Effect on Contract.** Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract shall remain in force and effect.

**11. Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA and the Privacy Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the Privacy Rule.

**Appendix F**  
**Invoice**

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR  
FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE**

Appendix F  
PAGE A

Control Number

INVOICE NUMBER :

M01 OC 8

Contractor: Crestwood Behavioral Health, Inc.

Cl. Blanket No.: BPHM

TBD

Address: 7590 Shoreline Drive, Stockton, CA 95219

Cl. PO No.: POHM

TBD

Telephone No.: (209) 478-5291

Fund Source :

General Fund

Invoice Period :

Oct-08

Contract Term: 10/1/08 - 06/30/09

Final Invoice :

(Check if Yes)

PHP Division: Community Behavioral Health Services

ACE Control Number :

Unduplicated Clients for Exhibit:	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC

\*Unduplicated Counts for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (MH only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UOS	CLIENTS	UOS	CLIENTS			UOS	CLIENTS	UOS	CLIENTS	UOS	CLIENTS
Adult 1(1)					\$ 188.00	\$ -	0.000		#DIV/0!		0.000	
Adult 1(2)					\$ 208.00	\$ -	0.000		#DIV/0!		0.000	
Adult 2(1)					\$ 200.00	\$ -	0.000		#DIV/0!		0.000	
Adult 2(2)					\$ 225.00	\$ -	0.000		#DIV/0!		0.000	
Adult ENH M/CAL					\$ 64.72	\$ -	0.000		#DIV/0!		0.000	
Adult IMD(1)					\$ 172.00	\$ -	0.000		#DIV/0!		0.000	
Adult IMD(2)					\$ 173.00	\$ -	0.000		#DIV/0!		0.000	
Adult M/CAL					\$ 30.72	\$ -	0.000		#DIV/0!		0.000	
Bed Hold					\$ (5.18)	\$ -	0.000		#DIV/0!		0.000	
Day Rate - Level 1					\$ 20.00	\$ -	0.000		#DIV/0!		0.000	
Day Treatment - Level 2					\$ 110.00	\$ -	0.000		#DIV/0!		0.000	
Gerl IMD					\$ 25.00	\$ -	0.000		#DIV/0!		0.000	
Gerl IMD DOC					\$ 27.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(1)					\$ 20.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(2)					\$ 25.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(3)					\$ 28.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(4)					\$ 140.00	\$ -	0.000		#DIV/0!		0.000	
Level1 DOC					\$ 27.00	\$ -	0.000		#DIV/0!		0.000	
Level 2(1)					\$ 28.00	\$ -	0.000		#DIV/0!		0.000	
Level 2(2)					\$ 50.00	\$ -	0.000		#DIV/0!		0.000	
Level 2(3)					\$ 190.00	\$ -	0.000		#DIV/0!		0.000	
Level 3(1)					\$ 238.00	\$ -	0.000		#DIV/0!		0.000	
Level 3(2)					\$ 257.34	\$ -	0.000		#DIV/0!		0.000	
Level 3(3)					\$ 80.00	\$ -	0.000		#DIV/0!		0.000	
MHRC 1					\$ 190.00	\$ -	0.000		#DIV/0!		0.000	
MHRC 2					\$ 214.00	\$ -	0.000		#DIV/0!		0.000	
Neuro					\$ 118.00	\$ -	0.000		#DIV/0!		0.000	
Neuro Single					\$ 143.00	\$ -	0.000		#DIV/0!		0.000	
Neuro Single Room					\$ 257.34	\$ -	0.000		#DIV/0!		0.000	
One on One												
Share of Cost												
Step Down					\$ 50.00	\$ -	0.000		#DIV/0!		0.000	
Transfer					\$ 20.00	\$ -	0.000		#DIV/0!		0.000	
<b>TOTAL</b>				0.000			0.000		#DIV/0!		0.000	

SUBTOTAL AMOUNT DUE \$  
Less: Initial Payment Recovery  
(For DPH Use) Other Adjustments  
NET REIMBURSEMENT \$

NOTES:

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Send to:  
DPH Fiscal/Invoice Processing  
1380 Howard St. - 4th Floor  
San Francisco, CA 94103

DPH Authorization for Payment

Authorized Signatory \_\_\_\_\_

Date \_\_\_\_\_

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR**  
**FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE**

Appendix F  
PAGE A

Control Number	INVOICE NUMBER : M02 OC 8	
Contractor: Crestwood Behavioral Health, Inc.	Ct. Blanket No.: BPHM	TBD
Address: 7590 Shoreline Drive, Stockton, CA 95219	Ct. PO No.: POHM	TBD
Telephone No.: (209) 478-5291	Fund Source :	General Fund - Bridge
	Invoice Period :	Oct-08
Contract Term: 10/01/ 9/30/09	Final Invoice :	(Check if Yes)
PHP Division: Community Behavioral Health Services	ACE Control Number :	

Unduplicated Clients for Exhibit:	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC
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\*Unduplicated Counts for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (M-F only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UOS	CLIENTS	UOS	CLIENTS			UOS	CLIENTS	UOS	CLIENTS	UOS	CLIENTS
Adult 1(1)					\$ 166.00	\$ -	0.000		#DIV/0!		0.000	
Adult 2(1)					\$ 202.00	\$ -	0.000		#DIV/0!		0.000	
Adult 1(2)					\$ 189.00	\$ -	0.000		#DIV/0!		0.000	
Adult 1(3)					\$ 206.00	\$ -	0.000		#DIV/0!		0.000	
Adult 2(2)					\$ 200.00	\$ -	0.000		#DIV/0!		0.000	
Adult 2(3)					\$ 225.00	\$ -	0.000		#DIV/0!		0.000	
Adult ENH M/CAL					\$ 64.72	\$ -	0.000		#DIV/0!		0.000	
Adult IMD(1)					\$ 172.00	\$ -	0.000		#DIV/0!		0.000	
Adult IMD(2)					\$ 173.00	\$ -	0.000		#DIV/0!		0.000	
Adult M/CAL					\$ 30.72	\$ -	0.000		#DIV/0!		0.000	
Bed Hold					\$ (5.18)	\$ -	0.000		#DIV/0!		0.000	
Gerl IMD					\$ 25.00	\$ -	0.000		#DIV/0!		0.000	
Gerl IMD DOC					\$ 27.00	\$ -	0.000		#DIV/0!		0.000	
IMD Level 1(1)					\$ 140.00	\$ -	0.000		#DIV/0!		0.000	
IMD Level 1(2)					\$ 163.77	\$ -	0.000		#DIV/0!		0.000	
Level 1(1)					\$ 20.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(2)					\$ 25.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(3)					\$ 28.00	\$ -	0.000		#DIV/0!		0.000	
Level 1(4)					\$ 130.00	\$ -	0.000		#DIV/0!		0.000	
Level1 Day Rate					\$ 20.00	\$ -	0.000		#DIV/0!		0.000	
Level 1 DOC					\$ 27.00	\$ -	0.000		#DIV/0!		0.000	
Level 2(1)					\$ 28.00	\$ -	0.000		#DIV/0!		0.000	
Level 2(2)					\$ 50.00	\$ -	0.000		#DIV/0!		0.000	
Level 2(3)					\$ 190.00	\$ -	0.000		#DIV/0!		0.000	
Level 2 Day Treatment					\$ 110.00	\$ -	0.000		#DIV/0!		0.000	
Level 3(1)					\$ 238.00	\$ -	0.000		#DIV/0!		0.000	
Level 3(2)					\$ 257.34	\$ -	0.000		#DIV/0!		0.000	
Level 3(3)					\$ 80.00	\$ -	0.000		#DIV/0!		0.000	
MHRC 1					\$ 190.00	\$ -	0.000		#DIV/0!		0.000	
MHRC 2					\$ 214.00	\$ -	0.000		#DIV/0!		0.000	
Neuro					\$ 118.00	\$ -	0.000		#DIV/0!		0.000	
Neuro Single					\$ 143.00	\$ -	0.000		#DIV/0!		0.000	
Neuro Single Room					\$ 257.34	\$ -	0.000		#DIV/0!		0.000	
One on One												
Step Down					\$ 50.00	\$ -	0.000		#DIV/0!		0.000	
Transfer					\$ 20.00	\$ -	0.000		#DIV/0!		0.000	
Share of Cost						\$ -	0.000		#DIV/0!		0.000	
<b>TOTAL</b>	-		0.000				0.000		#DIV/0!		0.000	

SUBTOTAL AMOUNT DUE \$ -  
Less: Initial Payment Recovery  
(For DPH Use) Other Adjustments  
**NET REIMBURSEMENT \$ -**

NOTES:

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Send to:  
DPH Fiscal/Invoice Processing  
1380 Howard St. - 4th Floor  
San Francisco, CA 94103

DPH Authorization for Payment

Authorized Signatory

Date

Appendix F  
PAGE A

INVOICE NUMBER :

M03 OC 8

Ct. Blanket No.: BPHM

TBD

Cl. PO.No.: POHM

TBD

User Cd

Fund Source :

General Fund - MHRF

Invoice Period :

Oct-08

Final Invoice :

(Check if Yes)

ACE Control Number :

\*Unduplicated Counts for AIDS Use Only.

SUBTOTAL AMOUNT DUE  
Less: Initial Payment Recovery  
(For DPH Use) Other Adjustments  
NET REIMBURSEMENT

NOTES:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

DPH Fiscal/Invoice Processing  
1380 Howard St. - 4th Floor  
San Francisco, CA 94103

DPH Authorization for Payment

Authorized Signatory

Date \_\_\_\_\_



## Appendix G

### **San Francisco Department of Public Health Privacy Policy Compliance Standards**

As part of this Agreement, Contractor acknowledges and agrees to comply with the following:

In City's Fiscal Year 2003/04, a DPH Privacy Policy was developed and contractors advised that they would need to comply with this policy as of July 1, 2005.

As of July 1, 2004, contractors were subject to audits to determine their compliance with the DPH Privacy Policy using the six compliance standards listed below. Audit findings and corrective actions identified in City's Fiscal year 2004/05 were to be considered informational, to establish a baseline for the following year.

Beginning in City's Fiscal Year 2005/06, findings of compliance or non-compliance and corrective actions were to be integrated into the contractor's monitoring report.

**Item #1: DPH Privacy Policy is integrated in the program's governing policies and procedures regarding patient privacy and confidentiality.**

As Measured by: Existence of adopted/approved policy and procedure that abides by the rules outlined in the DPH Privacy Policy

**Item #2: All staff who handle patient health information are oriented (new hires) and trained in the program's privacy/confidentiality policies and procedures.**

As Measured by: Documentation showing individual was trained exists

**Item #3: A Privacy Notice that meets the requirements of the Federal Privacy Rule (HIPAA) is written and provided to all patients/clients served in their threshold and other languages. If document is not available in the patient's/client's relevant language, verbal translation is provided.**

As Measured by: Evidence in patient's/client's chart or electronic file that patient was "noticed." (Examples in English, Cantonese, Vietnamese, Tagalog, Spanish, Russian will be provided.)

**Item #4: A Summary of the above Privacy Notice is posted and visible in registration and common areas of treatment facility.**

As Measured by: Presence and visibility of posting in said areas. (Examples in English, Cantonese, Vietnamese, Tagalog, Spanish, Russian will be provided.)

**Item #5: Each disclosure of a patient's/client's health information for purposes other than treatment, payment, or operations is documented.**

As Measured by: Documentation exists.

**Item #6: Authorization for disclosure of a patient's/client's health information is obtained prior to release (1) to providers outside the DPH Safety Net or (2) from a substance abuse program.**

As Measured by: An authorization form that meets the requirements of the Federal Privacy Rule (HIPAA) is signed and in patient's/client's chart/file

## **Appendix H**

### **EMERGENCY RESPONSE**

CONTRACTOR will develop and maintain a Site Specific Emergency Response Plan for its service site. Such plan shall be in compliance with the Emergency Response Plan of the CITY'S Community Mental Health Services (CMHS) and Community Substance Abuse Services (CSAS). The site plan will be updated and submitted annually upon request to the DIRECTOR for review and approval. CONTRACTOR will train all employees regarding the provisions of the plan for their site.

In a declared emergency, CONTRACTOR'S employees shall become emergency workers and participate in the emergency response of the CITY'S CMHS and CSAS.

## CERTIFICATE OF INSURANCE

This *Certificate* is issued as a matter of information only and confers no rights upon the Certificate Holder. This *Certificate* is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein.

**CERTIFICATE HOLDER:** *County of San Francisco*, a California County, 1380 Howard St., 5<sup>th</sup> Fl, San Francisco, CA 94103

**INSURED:** *Crestwood Behavioral Health Inc.*, 520 Capitol Mall #800, Sacramento, CA 95814

### **COVERAGES:**

This is to certify that the policies of insurance listed below have been issued to the Insured named above for the policy period indicated notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to the terms and conditions, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

### **WORKERS COMPENSATION CARRIER:**

*American Home Assurance Co.*, Policy 6506576; 1/1/2009-1/1/2010  
Statutory WC; Employers Liability \$1,000,000 claim/aggregate/employee

### **GENERAL & PROFESSIONAL LIABILITY CARRIER:**

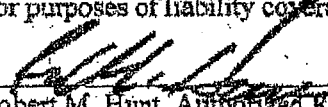
*American International Specialty Lines Ins. Co.*, Policy 4572873 1/1/2009-1/1/2010  
\$1/6,000,000 Each & Aggregate Claims; Occurrence form both parts; ISO Form

**DESCRIPTION OF OPERATIONS:** Psychiatric & Skilled Nursing Facility

### **CANCELLATION:**

Should any of the above described policies be cancelled prior to expiration, the issuing company will endeavor to mail 30 days written notice to the certificate holder but failure to mail such notice will impose no obligation or liability of any kind upon the company, its agents, brokers or representatives.

For purposes of liability coverage the holder is named as an Additional Insured

  
Robert M. Hunt, Authorized Representative  
RM Hunt & Associates, Inc.  
709 Petaluma Blvd North  
Petaluma CA 94952 Tel: 707 769 2970

12/30/2008

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2009

Forms a part of Policy No. GL 457-28-73

Issued to CRESTWOOD BEHAVIORAL HEALTH INC.

By AMERICAN INTERNATIONAL SPECIALTY LINES INSURANCE COMPANY

ADDITIONAL INSURED'S ENDORSEMENT

*This endorsement modifies insurance provided under the following:*

HEALTHCARE GENERAL LIABILITY COVERAGE PART

Schedule

THE CITY AND COUNTY OF SAN FRANCISCO, ITS OFFICERS, AGENTS AND EMPLOYEES.

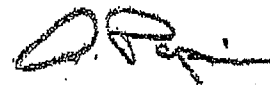
SECTION II - WHO IS AN INSURED, is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (a) In the performance of your ongoing operations; or
- (b) In connection with your premises owned by or rented to you

The insurance provided to the scheduled person or organization will not exceed the coverage and/or limits of this policy.

All other terms, conditions and exclusions of the policy remain unchanged.

OK  
3-24-09



AUTHORIZED REPRESENTATIVE

Manuscript

# CERTIFICATE OF INSURANCE

ISSUE DATE:

10/2/2008

**PRODUCER:**

CA DOI LIC #0352275

WELLS FARGO OF CALIFORNIA INSURANCE SERVICES, INC.

45 FREMONT STREET, SUITE 800

SAN FRANCISCO, CALIFORNIA 94105 415-541-7900

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER OTHER COVERAGE AFFORDED BY THE POLICIES BELOW.

**COMPANIES AFFORDING COVERAGE**

COMPANY LETTER A	OneBeacon America Insurance Company
------------------	-------------------------------------

COMPANY LETTER B	General Star Indemnity Company
------------------	--------------------------------

**INSURED:**

Crestwood Behavioral Health, Inc.

520 Capitol Mall, Suite 800

Sacramento, CA 95814

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

## COVERAGES AND LIMITS

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE	POLICY EXP. DATE	DESCRIPTION	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMM. GENERAL LIAB. <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACT'S PROT <input type="checkbox"/>				GENERAL AGGREGATE PROD-COMP/OP AGG. PERS & ADV, INJURY EACH OCCURRENCE FIRE DAMAGE (One Fire) MEDICAL EXPENSE (One Person)	\$ \$ \$ \$ \$ \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	753-01-79-74-0002	09/01/08	09/01/09	COMBINED SINGLE LIMIT BODILY INJURY (Per Person) BODILY INJURY (Per Accident) PROPERTY DAMAGE	\$ 1,000,000
B	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	IXG402247B Excess Automobile Liability	09/01/08	09/01/09	EACH OCCURRENCE AGGREGATE	\$ 500,000 \$
	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY				<input type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT DISEASE - POLICY LIMIT DISEASE - EACH EMPLOYEE	\$ \$ \$ \$
	OTHER INSURANCE					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS:

CERTIFICATE HOLDER, ITS OFFICERS, AGENTS AND EMPLOYEES ARE INCLUDED AS ADDITIONAL INSURED WITH RESPECT TO LIABILITY ARISING OUT OF THE SOLE NEGLIGENCE OF THE NAMED INSURED.

Subject to 10 days notice of cancellation for non-payment of premium.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

CITY & COUNTY OF SAN FRANCISCO  
1380 HOWARD STREET STE 443  
SAN FRANCISCO, CA 94103

CANCELLED BY: **OMHS/CSAS OFFICE OF CONTRACT MANAGEMENT & COMPLIANCE**  
SHOULD ANY OF THE ABOVE POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE:

*Sylvia Pong*

**RECEIVED**

OCT - 6 2008

## SCHEDULE 4

Effective 09/01/2008, this schedule forms a part of Policy No. 753-01-79-74-0002

(At the time stated in the policy)

issued to

CRESTWOOD BEHAVIORAL HEALTH, INC.

(See ASC 00 11 01 98, Schedule 1)

Producer: WELLS FARGO OF CALIFORNIA INSURANCE  
SERVICES, INC.

by OneBeacon America Insurance Company

### Additional Insured

BANK OF THE WEST

P O BOX 5755

CINCINNATI, OH 45201-5755

Vehicle

6 LN # 221-72016  
12 LN # 221-72015  
16 LN #221-72014  
20 LN #371746710  
21 LN #371746736  
23 LN #221-72013  
36 LN #371746728

CITY AND COUNTY OF SAN FRANCISCO, IT'S  
OFFICERS, AGENTS AND EMPLOYEES

1380 HOWARD ST STE 443

SAN FRANCISCO, CA 94103-2638

Vehicle

COUNTY OF NEVADA HEALTH & HUMAN SERVICES

950 MAIDU AVE

NEVADA CITY, CA 95959-8600

Vehicle

COUNTY OF SAN BERNARDINO, ITS OFFICERS,  
EMPLOYEES, AGENTS & VOLUNTEERS

INSURANCE COMPLIANCE/DATA SERV

PO BOX 12010 CB

HEMET, CA 92546-8010

Vehicle

3 2-40-6058 08/27/2008 BLT CPW PR 1.000

ASC 00 11 01 98

ARCHIVE

POLICY SCHEDULE

Page 1 of 2

CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEMPO NUMBER: DPHM14000208  
PO AMOUNT: \$8,818,673.00TO: CRESTWOOD HOPE CENTER  
PHYSICAL LOCATION  
520 CAPITAL MALL, SUITE 800  
SACRAMENTO CA 95814-4716

PO PRINT DATE: 09/09/2013

PHONE : 209-478-5291  
VENDOR ID: 47860TERMS: NET  
FOB : DEST

ISSUE DATE : 09/09/2013

BPO # : BPHM09000045 <<  
EFF. DATE : 10/01/2008  
EXP. DATE : 12/31/2014DELIVER TO: 1380 HOWARD ST 4TH FLOOR  
SAN FRANCISCO CA 94103-0000

AUTHORIZED SIGNATURE: \_\_\_\_\_

DATE : 9/9/13  
PHONE: \_\_\_\_\_

ORIGINAL ORDER MUST BE SIGNED TO BE VALID

INVOICE TO: SUBSTANCE ABUSE & FORENSICS (HMI01)  
1380 HOWARD ST RM 444  
SAN FRANCISCO CA 94103-0000

## TERMS:

THIS CONTRACT PURCHASE ORDER AND THE ACCOMPANYING SIGNED CONTRACT  
AUTHORIZE YOU TO BEGIN PERFORMING THE CONTRACT AND INVOICING THE  
CITY. THIS IS SUBJECT TO THE TERMS AND CONDITIONS IN THE CONTRACT. ANY  
TERMS AND CONDITIONS ON THE REVERSE OF THIS DOCUMENT DO NOT APPLY.

YOU MUST INCLUDE THE CONTRACT PURCHASE ORDER NUMBER ON ALL INVOICES.



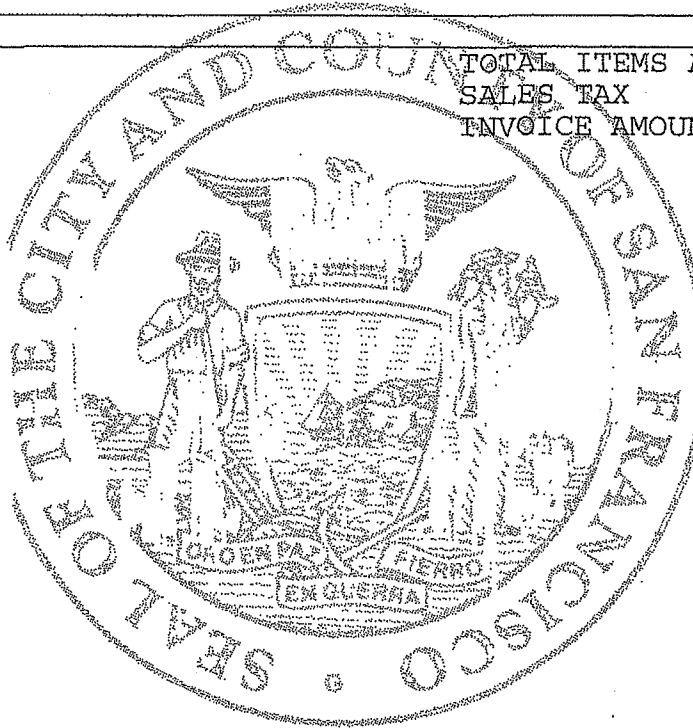
CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEM

PO NUMBER: DPHM14000208  
PO AMOUNT: \$8,818,673.00

ITEM	COMMODITY ID	UOM	TAX	QUANTITY	UNIT PRICE	TOTAL PRICE
1	7400-20 SVC, MED/HLTH; CMH (COMMUNITY MENTAL HEALTH)	EA	N	1.00	8,818,673.0000	8,818,673.00

CONTRACT WITH CRESTWOOD BEHAVIORAL HEALTH IN THE AMOUNT OF  
\$51,728,151 FOR THE TERM OF 10/1/08 TO 12/31/14 TO PROVIDE LONG TERM  
MENTAL HEALTH SERVICES.

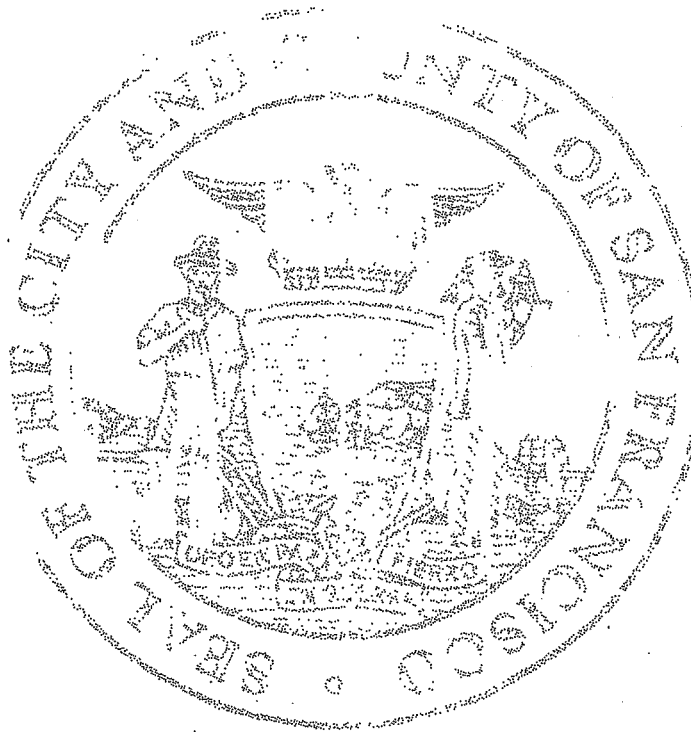
TOTAL ITEMS AMOUNT	\$8,818,673.00
SALES TAX	\$ .00
INVOICE AMOUNT	\$8,818,673.00





CONTRACT PURCHASE ORDER RELEASE  
COMMUNITY MENTAL HEALTH SYSTEMPO NUMBER: DPHM14000208  
PO AMOUNT: \$8,818,673.00

SFX INDEX	SUBOBJ USERCODE	PROJECT PRJDTL	GRANT GRNTDTL	AMOUNT
01	HMHMLT730416	02789		8,818,673.00
				-----
				8,818,673.00



<b>ADPICS/FAMIS - FY 13-14</b> <b>CITY/COUNTY OF SAN FRANCISCO</b> <b>CONTRACT PURCHASE ORDER INPUT FORM</b>		Original Modification Increase Decrease Renewal	<table border="1" style="width:100%;"> <tr><td style="height: 20px; text-align: center;">X</td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> </table>	X			DOCUMENT NUMBER <b>DPHM14000208</b> <b>CONM14000015</b>	DEPARTMENT <b>82 Community Behavioral Health Services</b> DEPARTMENT CONTROL NO. <b>HM-14-6442-MH</b> DATE <b>7/30/13</b> PAGE <b>1</b> OF <b>1</b> ORIGINAL CONTRACT NUMBER <b>BPHM09000045</b> PERIOD COVERED FROM <b>7/1/13</b> TO <b>6/30/14</b>																																																																						
X																																																																														
Complete for Contract Order type Agreements and Contracts AMOUNT OF THIS ENCUMBRANCE \$ <b>8,422,801</b> TOTAL APPROVED CONTRACT \$ <b>51,728,151</b>																																																																														
CMS 6442 2013-08/09		CONTRACTOR <b>Crestwood Behavioral Health, Inc.</b> VERIFICATION <b>47860</b> SUFF. <b>01</b> ADDRESS <b>520 Capitol Mall, Suite 800</b> PHONE NO <b>68-03-99495</b> <b>Sacramento, CA 95814-4716</b> Phone <b>(916) 471-2235</b>			DELIVER TO <b>Same</b>																																																																									
TERMS OF PAYMENT <b>Monthly</b>		RETAINAGE REQUIRED, YES/NO: <b>NO</b> IF YES, AMOUNT OR %			INSURANCE REQUIRED <b>AMOUNT</b> <b>DATE</b> <b>ATTACH</b> WORKER'S COMP <b>\$1,000,000</b> <b>1/1/2014</b> <input checked="" type="checkbox"/> COMP. GEN. LIABILITY <b>\$1,000,000</b> <b>1/1/2014</b> <input checked="" type="checkbox"/> AUTOMOBILE <b>\$1,000,000</b> <b>9/1/2013</b> <input checked="" type="checkbox"/> UMBRELLA <input type="checkbox"/> FIDELITY BOND/ (= initial pmt amt) <input type="checkbox"/> COMM. BLANKET <b>N/A</b> <input type="checkbox"/> OTHER <b>Prof.</b> <input type="checkbox"/> INSURANCE <b>Liab. \$2,000,000</b> <b>1/1/2014</b> <input checked="" type="checkbox"/> ATTACHMENTS - Please identify by file or description <input type="checkbox"/> SYSTEM USE																																																																									
COMMODITY OR SERVICE CODE #  <b>7400-20</b>  <b>PROFSERV - BID</b>	DETAILED DESCRIPTION OF SERVICES AND PRODUCTS  <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:20%;">FY 13-14 Renewal Contract Term: 10/1/08 - 6/30/13</th> <th style="width:10%;">Award</th> <th style="width:10%;">Contingency Prev. Balance</th> <th style="width:10%;">Contingency New Balance</th> <th style="width:10%;">Encumb. Total</th> <th style="width:10%;">Blanket Total</th> </tr> </thead> <tbody> <tr><td>FY08/09 Encumbered</td><td>\$ 4,739,976</td><td></td><td></td><td>\$ 4,739,976</td><td></td></tr> <tr><td>FY09/10 Encumbered</td><td>\$ 7,704,785</td><td></td><td></td><td>\$ 7,704,785</td><td></td></tr> <tr><td>FY10/11 Encumbered</td><td>\$ 8,071,785</td><td></td><td></td><td>\$ 8,071,785</td><td></td></tr> <tr><td>FY11/12 Encumbered</td><td>\$ 7,869,000</td><td></td><td></td><td>\$ 7,869,000</td><td></td></tr> <tr><td>FY11/12 Encumbered</td><td>\$ 175,700</td><td></td><td></td><td>\$ 175,700</td><td></td></tr> <tr><td>FY12/13 Encumbered</td><td>\$ 6,930,093</td><td></td><td></td><td>\$ 6,930,093</td><td></td></tr> <tr><td>FY12/13 Encumbered</td><td>\$ 1,492,708</td><td></td><td></td><td>\$ 1,492,708</td><td></td></tr> <tr><td>FY 12-13 no cost mod</td><td>\$ -</td><td></td><td></td><td>\$ -</td><td></td></tr> <tr><td>FY 13/14 Encumbering</td><td>\$ 8,818,673</td><td></td><td></td><td>\$ 8,818,673</td><td></td></tr> <tr><td>FY 14/15 To be encumb</td><td>\$ 4,409,337</td><td></td><td></td><td></td><td></td></tr> <tr> <td><b>Total contract</b></td> <td><b>\$ 50,212,057</b></td> <td></td> <td><b>\$ 1,516,094</b></td> <td><b>\$ 45,802,720</b></td> <td><b>\$ 51,728,151</b></td> </tr> </tbody> </table>				FY 13-14 Renewal Contract Term: 10/1/08 - 6/30/13	Award	Contingency Prev. Balance	Contingency New Balance	Encumb. Total	Blanket Total	FY08/09 Encumbered	\$ 4,739,976			\$ 4,739,976		FY09/10 Encumbered	\$ 7,704,785			\$ 7,704,785		FY10/11 Encumbered	\$ 8,071,785			\$ 8,071,785		FY11/12 Encumbered	\$ 7,869,000			\$ 7,869,000		FY11/12 Encumbered	\$ 175,700			\$ 175,700		FY12/13 Encumbered	\$ 6,930,093			\$ 6,930,093		FY12/13 Encumbered	\$ 1,492,708			\$ 1,492,708		FY 12-13 no cost mod	\$ -			\$ -		FY 13/14 Encumbering	\$ 8,818,673			\$ 8,818,673		FY 14/15 To be encumb	\$ 4,409,337					<b>Total contract</b>	<b>\$ 50,212,057</b>		<b>\$ 1,516,094</b>	<b>\$ 45,802,720</b>	<b>\$ 51,728,151</b>		
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PREPARED BY (Print) <b>Brenda Mendieta</b> Principal Clerk Phone # <b>255-3490</b> Fax # <b>252-3088</b>		APPROVALS  MATERIALS, SUPPLIES, & SERVICES - PURCHASER REAL PROPERTY LEASES & RENT - DIRECTOR OF PROPERTY CONTROLLER																																																																												
APPROVED BY (Signature) 																																																																														
Line	Document Number	Amount	Index Code	Sub-Subject	User Code	Project	Grant	ADDENDUM ATTACHED																																																																						
1	Number					Project	Grant	<input type="checkbox"/> Nos. of Pages																																																																						
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5	Total	<b>8,818,673</b>	<b>00</b>	<b>HM-HMLT730416</b>	<b>02789</b>																																																																									

ADPICS/FAMIS - FY 13-14  
CITY/COUNTY OF SAN FRANCISCO  
CONTRACT PURCHASE ORDER INPUT FORM

Original	
Modification-Increase	X
-Decrease	
Renewal	

DOCUMENT NUMBER  
DPHM14000208  
COMMI400015

DEPARTMENT 82 Community Behavioral Health Services  
DEPARTMENT CONTROL NO HM-14-6442-MH

DATE 7/30/13	PAGE 1 of 1
ORIGINAL CONTRACT NUMBER BPHM09000045	PERIOD COVERED FROM 7/1/13 TO 6/30/14

Complete for Contract Order type Agreements and Contracts

AMOUNT OF THIS ENCUMBRANCE \$ 8,422,801 TOTAL APPROVED CONTRACT \$ 51,728,151

OTHER DEPARTMENT INFORMATION OR NAME

CONTRACT RESOLUTION NO

CMS 6442  
CONTRACTOR Crestwood Behavioral Health, Inc.  
ADDRESS 520 Capitol Mall, Suite 800  
Sacramento, CA 95814-4716  
FACILITY 47850 SUFFX 01  
FEBISSN No. 68-03-99495  
Phone # (916) 471-2235

2013-08/09

DELIVER TO

Same

GENERAL SERVICES (Inter-Office)

PH&P Accounting Office  
1380 Howard St., Rm. 447  
San Francisco, CA 94103

TERMS OF PAYMENT Monthly  
RETAINAGE REQUIRED, IF YES, AMOUNT OR %

YES/NO: NO

COMMODITY OR SERVICE CODE #

DETAILED DESCRIPTION OF SERVICES AND PRODUCTS

7400-20

PROFSERV -- BID

FY 13-14 Renewal

Contract Term:

10/1/08 - 6/30/13

	Award	Contingency Prev. Balance	Contingency New Balance	Encumb. Total	Blanket Total
FY08/09 Encumbered	\$ 4,739,976			\$ 4,739,976	
FY09/10 Encumbered	\$ 7,704,785			\$ 7,704,785	
FY10/11 Encumbered	\$ 8,071,785			\$ 8,071,785	
FY11/12 Encumbered	\$ 7,869,000			\$ 7,869,000	
FY11/12 Encumbered	\$ 175,700			\$ 175,700	
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FY 13/14 Encumbering	\$ 8,818,673			\$ 8,818,673	
FY 14/15 To be encumb	\$ 4,409,337				
Total contract	\$ 50,212,057		\$ 1,516,094	\$ 45,802,720	\$ 51,728,151

INSURANCE REQUIRED	AMOUNT	EXPIRATION DATE	ATTACH
WORKER'S COMP	\$1,000,000	1/1/2014	<input checked="" type="checkbox"/>
COMP. GEN. LIABILITY	\$1,000,000	1/1/2014	<input checked="" type="checkbox"/>
AUTOMOBILE	\$1,000,000	9/1/2013	<input checked="" type="checkbox"/>
UMBRELLA			<input type="checkbox"/>
FIDELITY BOND/ (= initial pyt amt)			<input type="checkbox"/>
COMM. BLANKET	N/A		<input type="checkbox"/>
OTHER Prof.			<input type="checkbox"/>
INSURANCE- Liab. \$2,000,000		1/1/2014	<input checked="" type="checkbox"/>

ATTACHMENTS - Please identify by title or description

SYSTEM USE

PREPARED BY (Print)  
Brenda Mendieta  
Principal Clerk  
Phone # 255-3490 Fax # 252-3088

APPROVALS

APPROVED BY  
(Signature) *[Signature]*

BOARD OR COMMISSION

MATERIALS, SUPPLIES, & SERVICES - PURCHASER

REAL PROPERTY LEASES & RENT - DIRECTOR OF PROPERTY

CONTROLLER

Line	Document Number	Amount	Index Code	Sub-Object	User Code	Project	Grant	ADDENDUM ATTACHED
No.	Number	Suffix				Project	Detail	
1			8,818,673 00	HMHMLT730416	02789			
2								
3								
4								
5	Total		8,818,673 00					

Nos. of Pages

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**First Amendment**

THIS AMENDMENT (this "Amendment") is made as of **this 1<sup>st</sup> day of July, 2013**, in San Francisco, California, by and between **Crestwood Behavioral Health, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below);  
and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the contract, increase the contract amount, and update standard contractual clauses;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

a. **Agreement.** The term "Agreement" shall mean the Agreement dated October 1, 2008, Contract Number BPHM09000045, between Contractor and City, as amended by this first amendment.

b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

a. **Section 2. Term of the Agreement** currently reads as follows:

**2. Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from **October 1, 2008 to June 30, 2013.**

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

Option 1: July 1, 2013 - June 30, 2014

Option 2: July 1, 2014 - June 30, 2015

Option 3: July 1, 2015 - June 30, 2016

Option 4: July 1, 2016 - June 30, 2017

Option 5: July 1, 2017 - June 30, 2018

**Such section is hereby amended in its entirety to read as follows:**

**2. Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from **October 1, 2008 to December 31, 2014.**

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

Option 1: July 1, 2014 - June 30, 2015

Option 2: July 1, 2015- June 30, 2016

Option 3: July 1, 2016 - June 30, 2017

Option 4: July 1, 2017 - June 30, 2018

**b. Section 5. Compensation of the Agreement currently reads as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Forty Eight Million, Seven Hundred Eighty Seven Thousand, One Hundred Fifty Six Dollars (\$48,787,156). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

**Such section is hereby amended in its entirety to read as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the

immediately preceding month. In no event shall the amount of this Agreement exceed Fifty One Million Seven Hundred Twenty Eight Thousand One Hundred Fifty One Dollars (\$51,728,151). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

c. **Section 8. Submitting False Claims: Monetary Penalties of the Agreement currently reads as follows:**

**8. Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**Such section is hereby amended in its entirety to read as follows:**

**8. Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an

officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City; subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**d. Section 15. Insurance of the Agreement currently reads as follows:**

**15. Insurance**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable

(4) Professional liability insurance with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. All policies shall provide thirty (30) days' advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Office of Contract Management and Compliance  
Department of Public Health  
101 Grove Street, Room 307  
San Francisco, California 94102

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

**Such section is hereby amended in its entirety to read as follows:**

**15. Insurance**

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and



3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

4) Professional liability insurance, applicable to Contractor's profession, with limits not less than \$1,000,000 each claim with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

k. Any of the terms of conditions of this Section 15 may be waived by the City's Risk Manager in writing, and attached to this Agreement as Appendix C. Such waiver is fully incorporated herein. The waiver shall waive only the requirements that are expressly identified and waived, and under such terms and conditions as stated in the waiver.

e. **Section 16. Indemnification of the Agreement currently reads as follows:**

**16. Indemnification**

Contractor Agrees to defend, indemnify and hold harmless the City and County of San Francisco, its officers, employees and agents, from any and all acts, claims, omissions, liabilities and losses by whomever asserted arising out of acts or omissions of Contractor in the performance of the scope of work except those arising by reason of the sole negligence of the City and County of San Francisco, its officers, employees and agents.

City and County of San Francisco agrees to defend, indemnify and hold harmless Contractor, its officers, employees and agents, from any and all acts, claims, liabilities and losses by whomever asserted arising out of acts or omissions of the City and County of San Francisco in its obligations under this agreement except those arising by reason of the sole negligence of contractor, its officers, employees and agents.

In the event of concurrent negligence of City, its officers, employees and agents, and Contractor and its officers, employees and agents, the liability for any and all claims for injuries or damages to persons and/or property shall be apportioned under the California theory of comparative negligence as presently established or as may hereafter be modified.

Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

Such section is hereby amended in its entirety to read as follows:

**16. Indemnification**

Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

**f. Section 20. Default; Remedies of the Agreement currently reads as follows:**

**20. Default; Remedies**

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, 53, 55, 57, 58, and item 1 of Appendix D attached to this Agreement.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

**Such section is hereby amended in its entirety to read as follows:**

## **20. Default; Remedies**

A. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- |   |                                 |
|---|---------------------------------|
| 8. Submitting False Claims; Monetary Penalties. | 37. Drug-free workplace policy. |
| 10. Taxes                                       | 53. Compliance with laws        |

- |   |                                       |
|---|---------------------------------------|
| 15. Insurance                                       | 55. Supervision of minors             |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment                                      | 58. Graffiti removal                  |

2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

**B.** On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

**C.** All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

**g. Section 22. Rights and Duties upon Termination or Expiration of the Agreement** currently reads as follows:

## **22. Rights and Duties upon Termination or Expiration**

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, 57 and item 1 of Appendix D attached to this Agreement.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

Such section is hereby amended in its entirety to read as follows:

## **22. Rights and Duties upon Termination or Expiration**

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- |   |   |
|---|---|
| 8. Submitting false claims                                      | 24. Proprietary or confidential information of City     |
| 9. Disallowance   | 26. Ownership of Results                                |
| 10. Taxes   | 27. Works for Hire                                      |
| 11. Payment does not imply acceptance of work                   | 28. Audit and Inspection of Records                     |
| 13. Responsibility for equipment                                | 48. Modification of Agreement.                          |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance   | 50. Agreement Made in California; Venue                 |
| 16. Indemnification   | 51. Construction  |
| 17. Incidental and Consequential Damages                        | 52. Entire Agreement                                    |
| 18. Liability of City   | 56. Severability  |
|   | 57. Protection of private information                   |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

**h. Section 24. Proprietary or Confidential Information of City of the Agreement currently reads as follows:**

**24. Proprietary or Confidential Information of City**

a. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

b. Contractor shall maintain the usual and customary records for persons receiving Services under this Agreement. Contractor agrees that all private or confidential information concerning persons receiving Services under this Agreement, whether disclosed by the City or by the individuals themselves, shall be held in the strictest confidence, shall be used only in performance of this Agreement, and shall be disclosed to third parties only as authorized by law. Contractor understands and agrees that this duty of care shall extend to confidential information contained or conveyed in any form, including but not limited to documents, files, patient or client records, facsimiles, recordings, telephone calls, telephone answering machines, voice mail or other telephone voice recording systems, computer files, e-mail or other computer network communications, and computer backup files, including disks and hard copies. The City reserves the right to terminate this Agreement for default if Contractor violates the terms of this section.

c. Contractor shall maintain its books and records in accordance with the generally accepted standards for such books and records for five years after the end of the fiscal year in which Services are furnished under this Agreement. Such access shall include making the books, documents and records available for inspection, examination or copying by the City, the California Department of Health Services or the U.S. Department of Health and Human Services and the Attorney General of the United States at all reasonable times at the Contractor's place of business or at such other mutually agreeable location in California. This provision shall also apply to any subcontract under this Agreement and to any contract between a subcontractor and related organizations of the subcontractor, and to their books, documents and records. The City acknowledges its duties and responsibilities regarding such records under such statutes and regulations.

d. The City owns all records of persons receiving Services and all fiscal records funded by this Agreement if Contractor goes out of business. Contractor shall immediately transfer possession of all these records if Contractor goes out of business. If this Agreement is terminated by either party, or expires, records shall be submitted to the City upon request.

e. All of the reports, information, and other materials prepared or assembled by Contractor under this Agreement shall be submitted to the Department of Public Health Contract

Administrator and shall not be divulged by Contractor to any other person or entity without the prior written permission of the Contract Administrator listed in Appendix A.

**Such section is hereby amended in its entirety to read as follows:**

**24. Proprietary or Confidential Information of City.**

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

**i. Section 25. Notices to the Parties currently reads as follows:**

**25. Notices to the Parties**

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To CITY:	Office of Contract Management and Compliance Department of Public Health 1380 Howard Street, 4 <sup>th</sup> Floor San Francisco, California 94103	FAX: (415) 252-3088 e-mail: <a href="mailto:David.Folmar@sfdph.org">David.Folmar@sfdph.org</a>
And:	Susie Reichert Community Behavioral Health Services 1380 Howard Street, 5 <sup>th</sup> Floor San Francisco, CA 94103	FAX: (415) 255-3657 e-mail: <a href="mailto:Susie.Reichert@sfdph.org">Susie.Reichert@sfdph.org</a>
To CONTRACTOR:	Crestwood Behavioral Health, Inc. 7590 Shoreline Drive Stockton, California 95218	FAX: (209) 957-2671 e-mail: <a href="mailto:gzeyen@cbhi.net">gzeyen@cbhi.net</a>

Any notice of default must be sent by registered mail.

**Such section is hereby amended in its entirety to read as follows:**

**25. Notices to the Parties.**

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:



To City: Office of Contract Management and Compliance  
Department of Public Health  
1380 Howard Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103

To Contractor: Crestwood Behavioral Health, Inc.  
520 Capitol Mall, Suite 800  
Sacramento, CA 95814

Any notice of default must be sent by registered mail.

j. **Section 28. Audit and Inspection of Records currently reads as follows:**

**28. Audit and Inspection of Records**

a. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records; and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

b. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report and the associated management letter(s) shall be transmitted to the Director of Public Health or his /her designee within one hundred eighty (180) calendar days following Contractor's fiscal year end date. If Contractor expends \$500,000 or more in Federal funding per year, from any and all Federal awards, said audit shall be conducted in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Said requirements can be found at the following website address: <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. If Contractor expends less than \$500,000 a year in Federal awards, Contractor is exempt from the single audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal Agency, pass-through entity and General Accounting Office. Contractor agrees to reimburse the City any cost adjustments necessitated by this audit report. Any audit report which addresses all or part of the period covered by this Agreement shall treat the service components identified in the detailed descriptions attached to Appendix A and referred to in the Program Budgets of Appendix B as discrete program entities of the Contractor.

c. The Director of Public Health or his / her designee may approve of a waiver of the aforementioned audit requirement if the contractual Services are of a consulting or personal services nature, these Services are paid for through fee for service terms which limit the City's risk with such contracts, and it is determined that the work associated with the audit would

produce undue burdens or costs and would provide minimal benefits. A written request for a waiver must be submitted to the DIRECTOR ninety (90) calendar days before the end of the Agreement term or Contractor's fiscal year, whichever comes first.

d. Any financial adjustments necessitated by this audit report shall be made by Contractor to the City. If Contractor is under contract to the City, the adjustment may be made in the next subsequent billing by Contractor to the City, or may be made by another written schedule determined solely by the City. In the event Contractor is not under contract to the City, written arrangements shall be made for audit adjustments.

**Such section is hereby amended in its entirety to read as follows:**

**28. Audit and Inspection of Records.**

Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

k. **Section 32. Earned Income Credit (EIC) forms currently reads as follows:**

**32. Earned Income Credit (EIC) Forms**

Administrative Code section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently

pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

**Such section is hereby amended in its entirety to read as follows:**

**32. Earned Income Credit (EIC) Forms**

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

**I. Section 33. Local Business Enterprise Utilization; Liquidated Damages currently reads as follows.**

**33. Local Business Enterprise Utilization; Liquidated Damages**

**a. The LBE Ordinance**

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this

Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

**b. Compliance and Enforcement**

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

**Such section is hereby amended in its entirety to read as follows:**

**33. Local Business Enterprise Utilization; Liquidated Damages**

1. The LBE Ordinance. Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to

comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

**2. Compliance and Enforcement**

**a. Enforcement.** If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17. By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to City upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City. Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

**m. Section 42. Limitations on Contributions currently reads as follows:**

**42. Limitations on Contributions**

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on

actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

**Such section is hereby amended in its entirety to read as follows:**

**42. Limitations on Contributions**

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.


**3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

**4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

Recommended by:

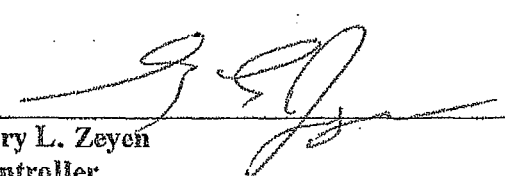
  
Barbara Garcia, MPA  
Director  
Department of Public Health

Approved as to Form:

Dennis J. Herrera  
City Attorney

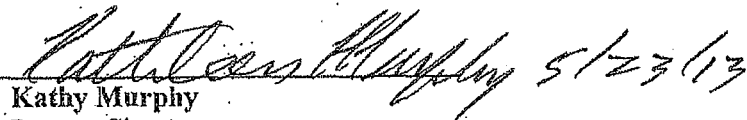
**CONTRACTOR**

**CRESTWOOD BEHAVIORAL HEALTH,  
INC.**


  
Gary L. Zeyen  
Controller  
520 Capitol Mall, Suite 800  
Sacramento, CA 95814

City vendor number: 47860

By:

  
Kathy Murphy  
Deputy City Attorney

Approved:

  
Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser

## Appendix A

### COMMUNITY BEHAVIORAL HEALTH SERVICES

Term: 7/1/13-12/31/14

The following requirements are incorporated into Appendix A, as provided in this Agreement under Section 4. SERVICES.

A. Contract Administrator:

In performing the SERVICES hereunder, CONTRACTOR shall report to Valerie Lai, Contract Administrator for the CITY, or her designee.

B. Reports:

(1) CONTRACTOR shall submit written reports as requested by the CITY. The format for the content of such reports shall be determined by the CITY. The timely submission of all reports is a necessary and material term and condition of this Agreement. All reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

(2) CONTRACTOR agrees to submit to the Director of Public Health or his designated agent (hereinafter referred to as "DIRECTOR") the following reports: Annual County Plan Data; Utilization Review Data and Quarterly Reports of De-certifications; Peer Review Plan, Quarterly Reports, and relevant Peer Review data; Medication Monitoring Plan and relevant Medication Monitoring data; Charting Requirements, Client Satisfaction Data, Program Outcome Data, and Data necessary for producing bills and/or claims in conformance with the State of California Uniform Method for Determining Ability to Pay (UMDAP; the state's sliding fee scale) procedures.

C. Evaluation:

CONTRACTOR shall participate as requested with the CITY, State and/or Federal government in evaluative studies designed to show the effectiveness of CONTRACTOR'S SERVICES. CONTRACTOR agrees to meet the requirements of and participate in the evaluation program and management information systems of the CITY. The CITY agrees that any final written reports generated through the evaluation program shall be made available to CONTRACTOR within thirty (30) working days. CONTRACTOR may submit a written response within thirty working days of receipt of any evaluation report and such response will become part of the official report.

D. Possession of Licenses/Permits:

CONTRACTOR warrants the possession of all licenses and/or permits required by the laws and regulations of the United States, the State of California, and the CITY to provide the SERVICES. Failure to maintain these licenses and permits shall constitute a material breach of this Agreement.

Space owned, leased or operated by providers, including satellites, and used for SERVICES or staff shall meet local fire codes. Documentation of fire safety inspections and corrections of any deficiencies shall be made available to reviewers upon request.

E. Adequate Resources:

CONTRACTOR agrees that it has secured or shall secure at its own expense all persons, employees and equipment required to perform the SERVICES required under this Agreement, and that all such SERVICES shall be performed by CONTRACTOR, or under CONTRACTOR'S supervision, by persons authorized by law to perform such SERVICES.

F. Admission Policy:



Admission policies for the SERVICES shall be in writing and available to the public. Such policies must include a provision that clients are accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or AIDS/HIV status, except to the extent that the SERVICES are to be rendered to a specific population as described in Appendix A. CONTRACTOR shall adhere to Title XIX of the Social Security Act and shall conform to all applicable Federal and State statutes and regulations. CONTRACTOR shall ensure that all clients will receive the same level of care regardless of client status or source of reimbursement when SERVICES are to be rendered.

G. San Francisco Residents Only:

Only San Francisco residents shall be treated under the terms of this Agreement. Exceptions must have the written approval of the Contract Administrator.

H. Grievance Procedure:

CONTRACTOR agrees to establish and maintain a written Client Grievance Procedure which shall include the following elements as well as others that may be appropriate to the SERVICES: (1) the name or title of the person or persons authorized to make a determination regarding the grievance; (2) the opportunity for the aggrieved party to discuss the grievance with those who will be making the determination; and (3) the right of a client dissatisfied with the decision to ask for a review and recommendation from the community advisory board or planning council that has purview over the aggrieved service. CONTRACTOR shall provide a copy of this procedure, and any amendments thereto, to each client and to the Director of Public Health or his/her designated agent (hereinafter referred to as "DIRECTOR"). Those clients who do not receive direct SERVICES will be provided a copy of this procedure upon request.

I. Infection Control, Health and Safety:

(1) CONTRACTOR must have a Bloodborne Pathogen (BBP) Exposure Control plan as defined in the California Code of Regulations, Title 8, §5193, Bloodborne Pathogens (<http://www.dir.ca.gov/title8/5193.html>), and demonstrate compliance with all requirements including, but not limited to, exposure determination, training, immunization, use of personal protective equipment and safe needle devices, maintenance of a sharps injury log, post-exposure medical evaluations, and record keeping.

(2) CONTRACTOR must demonstrate personnel policies/procedures for protection of staff and clients from other communicable diseases prevalent in the population served. Such policies and procedures shall include, but not be limited to, work practices, personal protective equipment, staff/client Tuberculosis (TB) surveillance, training, etc.

(3) CONTRACTOR must demonstrate personnel policies/procedures for Tuberculosis (TB) exposure control consistent with the Centers for Disease Control and Prevention (CDC) recommendations for health care facilities and based on the Francis J. Curry National Tuberculosis Center: Template for Clinic Settings, as appropriate.

(4) CONTRACTOR is responsible for site conditions, equipment, health and safety of their employees, and all other persons who work or visit the job site.

(5) CONTRACTOR shall assume liability for any and all work-related injuries/illnesses including infectious exposures such as BBP and TB and demonstrate appropriate policies and procedures for reporting such events and providing appropriate post-exposure medical management as required by State workers' compensation laws and regulations.

(6) CONTRACTOR shall comply with all applicable Cal-OSHA standards including maintenance of the OSHA 300 Log of Work-Related Injuries and Illnesses.

(7) CONTRACTOR assumes responsibility for procuring all medical equipment and supplies for use by their staff, including safe needle devices, and provides and documents all appropriate training.

(8) CONTRACTOR shall demonstrate compliance with all state and local regulations with regard to handling and disposing of medical waste.

J. Acknowledgment of Funding:

CONTRACTOR agrees to acknowledge the San Francisco Department of Public Health in any printed material or public announcement describing the San Francisco Department of Public Health-funded SERVICES. Such documents or announcements shall contain a credit substantially as follows: "This program/service/ activity/research project was funded through the Department of Public Health, CITY and County of San Francisco."

K. Client Fees and Third Party Revenue:

(1) Fees required by federal, state or CITY laws or regulations to be billed to the client, client's family, or insurance company, shall be determined in accordance with the client's ability to pay and in conformance with all applicable laws. Such fees shall approximate actual cost. No additional fees may be charged to the client or the client's family for the SERVICES. Inability to pay shall not be the basis for denial of any SERVICES provided under this Agreement.

(2) CONTRACTOR agrees that revenues or fees received by CONTRACTOR related to SERVICES performed and materials developed or distributed with funding under this Agreement shall be used to increase the gross program funding such that a greater number of persons may receive SERVICES. Accordingly, these revenues and fees shall not be deducted by CONTRACTOR from its billing to the CITY.

(3) CONTRACTOR agrees that funds received by CONTRACTOR from a source other than the CITY to defray any portion of the reimbursable costs allowable under this Agreement shall be reported to the CITY and deducted by CONTRACTOR from its billings to the CITY to ensure that no portion of the CITY'S reimbursement to CONTRACTOR is duplicated.

L. Billing and Information System

CONTRACTOR agrees to participate in the CITY'S Community Mental Health Services (CMHS) and Community Substance Abuse Services (CSAS) Billing and Information System (BIS) and to follow data reporting procedures set forth by the CMHS/CSAS BIS and Quality Improvement Units.

M. Patients Rights:

All applicable Patients Rights laws and procedures shall be implemented.

N. Under-Utilization Reports:

For any quarter that CONTRACTOR maintains less than ninety percent (90%) of the total agreed upon units of service for any mode of service hereunder, CONTRACTOR shall immediately notify the Contract Administrator in writing and shall specify the number of underutilized units of service.

O. Quality Improvement:

CONTRACTOR agrees to develop and implement a Quality Improvement Plan based on internal standards established by CONTRACTOR applicable to the SERVICES as follows:

- (1) Staff evaluations completed on an annual basis.
- (2) Personnel policies and procedures in place, reviewed and updated annually.
- (3) Board Review of Quality Improvement Plan.

P. Compliance with Community Mental Health Services and Community Substance Abuse Services Policies and Procedures

In the provision of SERVICES under Community Mental Health Services or Community Substance Abuse Services contracts, CONTRACTOR shall follow all applicable policies and procedures established for contractors by Community Mental Health Services or Community Substance Abuse Services, as

applicable, and shall keep itself duly informed of such policies. Lack of knowledge of such policies and procedures shall not be an allowable reason for noncompliance.

Q. Working Trial Balance with Year-End Cost Report

If CONTRACTOR is a Non-Hospital Provider as defined in the State of California Department of Mental Health Cost Reporting Data Collection Manual, it agrees to submit a working trial balance with the year-end cost report.

R. Harm Reduction

The program has a written internal Harm Reduction Policy that includes the guiding principles per Resolution # 10-00 810611 of the San Francisco Department of Public Health Commission.

2. **Description of Services**

Detailed description of services are listed below and are attached hereto

Appendix A-1 Crestwood Behavioral Health, Inc.

**1. Crestwood Behavioral Health, Inc.**

520 Capitol Mall Ste. 800

Sacramento CA 95814

Telephone: ( 916 ) 471-2244/ Facsimile: ( 916 ) 471-2212

**2. Nature of Document:**

☐ New     ☒ Renewal     ☐ Modification

**3. Goal Statement**

The program goal at each Crestwood Facility is to provide innovative, recovery-based programs and maximize each individual's functional capacity fostering self-care and return to the highest level of independent living possible in the community. In addition, San Francisco Department of Public Health agrees to provide for those residents with specialized needs, medical and/or pharmaceutical supplies at its own expense patients placed upon authorization of the San Francisco Department of Public Health Placement Program into facilities designated by SF Placement authorization. This requires the specific approval of the Director of Placement.

**4. Target Population**

San Francisco residents admitted to Crestwood facilities recognized as IMD or licensed as MHRC will be 18 years to 64 years and have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to Crestwood facilities licensed as a SNF and not having IMD designation will be 18 years of age and above and will have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to Crestwood Fremont or Crestwood Idylwood Neurobehavioral units will have a primary diagnosis of dementia and will be covered under Exhibit A unless specifically identified by Community Behavioral Health Services (CBHS) Director of Placement as covered under this Exhibit.

Individuals who suffer exclusively from developmental disability, mental retardation, dementia, or physical illness without a psychiatric component will not be considered for admission to Crestwood Facilities with the exception of the Crestwood Idylwood Neurobehavioral beds for primary diagnosis of dementia.

If a San Francisco resident on voluntary status or private conservatee is referred by the Long Term Care Program to Crestwood, an addendum to the admission agreement will be signed by private conservator or voluntary resident in advance of admission indicating that voluntary individual or private conservator will comply with CMHS' utilization management decisions regarding the individual's readiness to move to a lower level of care.

**5. Modality(ies)/Interventions**

Crestwood programs operate under a recovery/psycho-social rehabilitation model. The focus of the program is to assist each consumer to build strengths, self-reliance, and independence as well as improving the physical health of consumers.

In the MHRC and community based services level support is provided by staff, the consumer is responsible for maintaining both personal and shared space while in the program. It is

through self-efficacy, independence, and ownership of the program that the consumer gains the skills, support, and confidence to transition toward living in the community. They are involved in the writing of their own treatment goals and are expected to participate in the treatment program.

Consumers are encouraged to be active participants and are encouraged to reach their highest potential of independence, self-sufficiency, and satisfaction. The program provides a structure of support and education; which gives the consumer an opportunity to manage and modify symptoms and behaviors that impact stability, as well as provide a strengthening of their natural support system. The program utilizes the healing arts, life skills, and pre-vocational training as guides and opportunities for greater self expression, self confidence, and meaningful accomplishments. The goal is successful community re-entry.

At the SNF/non IMD 24 hour skilled nursing care is provided with registered nurses on site 24 hours per day. We provide comprehensive psychiatric and behavioral evaluation and related services, as well as neurobehavioral services. Physical, occupational, and speech therapies (including swallowing rehabilitation) are available. We provide skilled nursing care for comprehensive wound management, complex medical cases, and complicated/traumatic orthopedic and rehabilitation.

## **6. Methodology**

Crestwood Behavioral Health, Inc. offers comprehensive mental health services at all of its facilities, from short-term skilled stabilization, recovery and rehabilitation services to extended support services.

Each facility has a unique profile, offering different services (depending on the facility program) to assist each client in maximizing their wellness.

Program basic services include; Life skill training, money management, Wellness Recovery Action Planning, training on accessing community services, transitional programs, discharge planning, access to required medical treatment, up-to-date pharmacology, transportation to needed off-site services, bi-lingual programming, and psycho-social rehabilitation groups and classes.

### **A. Describe program outreach, recruitment and advertisement:**

Crestwood Behavioral Health Inc. utilizes their web site [www.crestwoodbehavioralhealth.inc](http://www.crestwoodbehavioralhealth.inc) and newsletter to provide outreach, recruitment, promotion and advertisement. All outreach efforts are conducted in a culturally and linguistically competent manner; based on the demographics of each region.

### **B. Describe your program's admission, enrollment, and/or intake criteria and process:**

Crestwood B H, Inc. currently has a non-centralized intake system. This provides the discharge team and the Crestwood clinical staff an opportunity to explore the potential admission with a variety of programs to provide the highest level of efficacy.

There are, on occasion, referrals that are denied by all of the CBHI programs. We utilize a central intake system where San Francisco can refer the clients that have been denied at the existing

programs to a central intake system. The central intake system will evaluate the referral for appropriate placement within the Crestwood system. Together with San Francisco, Crestwood will determine what level of care the client requires prior to admission.

Crestwood will coordinate with San Francisco General Hospital and San Francisco Mental Health to determine the level of services needed for each referral. Once the client is accepted to a Crestwood facility, central intake is no longer involved. Transportation, dates of arrival, etc. will be handled together by a representative of San Francisco and the individual facility that has accepted the client.

The facility administrator shall be accessible to San Francisco County Mental Health staff as needed throughout the admission process and treatment.

The Crestwood system of services shall provide an opportunity for consumers to be transferred from within the Crestwood system of programs to a higher or lower level of care as needed with the approval of the San Francisco DMH liaison. The transfer to a higher level of care for psychiatric or medical stabilization will not require that the person be sent back to SFGH, however, there may times when the stabilization needs are too great for a Crestwood facility and transfer to SFGH may be required.

The focus of the movement from within the Crestwood system will be directed to reintegration to the community whenever possible with attention focused on community living skill development and vocational preparation with the support of Dreamcatchers Empowerment Network. Consumers will be supported in their transition to the community by Crestwood staff, and this support may be expanded to include case management services continued post discharge as needed.

Every effort will be made to accept and treat all San Francisco referred clients while maintaining the overall safety of clients already in Crestwood facilities and the integrity of Crestwood programs. There may be cases where clients are refused by all Crestwood programs. In these cases, individual case conferences may be scheduled between San Francisco and Crestwood to determine if there is any way to accommodate the referral.

San Francisco residents admitted to Crestwood Fremont or Crestwood Idylwood Neurobehavioral units will have a primary diagnosis of dementia and will be covered under Exhibit A@ unless specifically identified by Community Behavioral Health Services (CBHS) Director of Placement as covered under this Exhibit.

Individuals admitted to any of the Crestwood facilities may also have concomitant medical problems and/ or have physical impairments requiring special needs that might include the use of a wheelchair, walker, or cane; individuals admitted to Crestwood may also have vision and/or hearing loss, or speech impediment.

Crestwood will primarily admit San Francisco residents directly from acute psychiatric inpatient units.

The Director of CBHS Placement or his/her designee will authorize referrals to Crestwood facilities into contracted beds. All such referrals will have been approved for locked psychiatric SNF, MHRC or community care licensed level of care.

Each San Francisco resident admitted to the Crestwood facilities into a contract bed will be reviewed every thirty (30) days by CMHS Utilization Review Nurse, who will monitor ongoing treatment and progress toward treatment goals including discharge as soon as clinically appropriate.

**C. Describe your program's service delivery model and how each service is delivered, e.g. phases of treatment, hours of operation, length of stay, locations, of service delivery, frequency and duration of service, strategies for service delivery, wrap-around services, etc.**

The programs at Crestwood Behavioral Health operate under a recovery based/ psycho-social rehabilitation model that holds the standard that all individuals can achieve a sense of personal satisfaction and lead a meaningful life, regardless of their diagnosis or circumstances.

The licensed nursing clinical staff shall provide the following:

- History and physical examination
- Admission note
- Weekly assessment note regarding effectiveness of treatment, issues related to ADLs,
- Medical needs and interventions documentation
- Admission orientation and documentation
- Examination of conservatorship documentation and adherence to the specifications.
- Admission psycho-social assessment
- Recreation assessment
- Monthly and quarterly assessment of strengths, needs, abilities and

The clinical program staff shall provide:

- Preferences and documentation.
- Support and documentation related to the clients participation in the treatment program provided at the facility and in the community.
- Individual support sessions with the clinical staff on the clients strengths, needs, abilities, and preferences, including the clients goals and progress
- Discharge/transition assessment, identification of obstacles to community re-entry and plan to provide support to facilitate a successful community re-entry plan.
- Linkage with community resources
- Dual recovery support and linkage to community dual recovery services
- Special treatment interventions with identified discipline related to provision of the care, including dual recovery, Cognitive Behavior Therapy, Dialectical Behavior Therapy, expressive arts, medical interventions, counseling and family therapy. These shall be provided through the treatment team and facility resources including consultants.
- Discharge planning including coordination with the CBHS Linkage Staff, conservator, physician and pharmacy and potential community placements.
- Wellness Recovery Action Plan (WRAP)

Length of stay and hours of service:

Each program has a specific length of stay, based on the target population and program interventions. All programs are 24 hours services.

Locations:

Crestwood Behavioral Health currently serves clients in the following programs -

Alameda	Redding
Angwin	Sacramento
Bakersfield	San Jose
Eureka	Solano - Our House and
Fremont	Livingquest
Idylwood	Stockton
Modesto	

Our services are diverse and we are able to accommodate individuals with unique and challenging behavioral health issues.

**D. Describe your program's exit criteria and process, e.g. successful completion, step-down process to less intensive treatment programs, aftercare, discharge planning.**

Each program has distinct criteria for discharge/exit based on their target population. Discharge support services: Discharge/transition assessment, identification of obstacles to community re-entry and plan to provide support to facilitate a successful community re-entry plan. Crestwood provides linkage with community resources, dual recovery support and linkage to community dual recovery services.

Crestwood provides discharge planning including referrals to lower levels of care, coordination with the CBHS Linkage Staff, conservator, physician and pharmacy and potential community placements.

Social work documentation shall begin at point of admission with updates based on evaluation of resident's functional capacity. Documentation shall be relevant to resident's treatment goals and plans. Barriers to discharge will be identified and interventions that will address and/or resolve those barriers will be documented.

CBHS Linkage Staff, working in the Placement Program, and SPR staff will interface on a regular basis with Crestwood social services staff regarding the discharge readiness of residents.

When requested to make a resident ready for discharge or transfer, the facility will prepare all paperwork for resident discharge and make all arrangements within five (5) working days of receipt of written or verbal request from conservator, CBHS Linkage/Placement staff, or SPR staff.

Crestwood will notify Director of CBHS Placement or his/her designee by fax or telephone on the day of discharge of any San Francisco resident.

Crestwood will send medication and prescription information with resident upon discharge.

Need for Acute Hospitalization



In the event that the Crestwood facility(s) staff determines that a San Francisco resident should return to the acute hospital sector, the following procedures will be observed:

- 1) Emergency returns during working hours, Monday-Friday: refer to Psychiatric Emergency Return of San Francisco Residents Placed in out-of-county L-facilities (Manual No 3.03.3).
- 2) Non-emergency returns: an authorization is necessary from the Director of CBHS Placement or his/her designee.
- 3) Off-hour emergency returns: The CBHS Placement Director must be notified on the next working day of any emergency returns made during non-business hours.
- 4) The bed of any patient referred to the acute hospital will be held for seven (7) days pending his/her return.
- 5) There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring facility will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

#### **E. Staffing:**

Each facility has separate and distinct staffing allocations which meet all requirement of Title 22 for SNF/STP, Title 9 and Commission of Accreditation of Rehabilitation Facilities for MHRC's and Title 22 and Commission of Accreditation of Rehabilitation Facilities for community care programs.

Facility staff shall include as required by specific licensure:

- Medical Director
- Director of Nursing Services
- Internist
- Psychiatrist
- Registered Nurses
- Licensed Psychiatric Technicians and Licensed Vocational Nurse
- Mental Health Workers
- Service coordinator/Case manager
- Peer Provider
- Recreation, Music, Art or dance Therapist
- Quality Assurance Supervisor

All staff shall perform duties specific to their professional scope of licensure or specific training.

**Attending psychiatrist's** court testimony when required and following conditions must be met:

- a. Be fully prepared, i.e., review resident chart prior to proceedings
- b. Appear on time and sit through the hearing process in order to provide expert testimony in resident's case
- c. In case of inability to attend, sufficient notice must be given by the psychiatrist. If time does not permit mailing notice, then the notice must be faxed to the mental health court.

The attending psychiatrist must make a note at least every thirty-(30) days that addresses:

1. Resident's current level of functioning, addressing all 5 Axis
2. Description of resident's behaviors that present as an obstacle to discharge.
3. Behavioral assessment of current behavioral barriers effecting discharge potential
4. Documentation to support significant changes in functioning level, progress/regression.
5. Specific justification as to why resident needs to remain at current level of care.
6. Document current dose of medication(s).
7. Resident's response to medication(s).
8. Resident's compliance with medication(s).
9. Resident's use of PRN medication.
10. Notes shall reflect physician's use of laboratory results to determine adjustment to medication(s).
11. There shall be evidence of a monthly assessment and update

**Nursing Staff:** Nursing staff must make a note at least every seven- (7) days that addresses:

1. Nursing management of the resident specific to problems identified in the resident's treatment plan.
2. Areas of the resident's ADL's requiring nursing intervention and frequency of that intervention.

**Program Staff:**

1. Resident's attendance and participation in STP will be documented in resident's chart.
2. Resident will receive at least weekly individual sessions with STP group leader to discuss STP goals and progress.

## **7. Objectives and Measurements**

### **A. Performance/Outcome Objectives**

1. Crestwood facilities licensed as MHRC or as SNF and designated, as IMD will not return more than three (2) San Francisco residents per month to PES.

Measurement: (1) The Long Term Care Director will be notified in advance of each situation involving a return to PES. (2) The facility will maintain a log of all patients transferred to PES and submit quarterly to Director of CBHS Placement.

2. Crestwood facilities licensed as SNF and not designated as IMD will not return more than three (3) San Francisco residents per fiscal year to PES.

**Measurement: (1) The CBHS Placement Director will be notified in advance of each situation involving a return to PES. (2) The facility will maintain a log of all patients transferred to PES and submit quarterly to Director of CBHS Placement.**

3. Crestwood facilities licensed as MHRC or those designated as IMD, in conjunction with the CBHS Utilization Review Nurse, will provide at a weekly meeting an updated list of San Francisco residents who are:

- a. Discharge ready and being referred for placement
- b. Have discharge potential within the next 90 days or
- c. Reside on an "enhanced or higher acuity bed/unit" and are ready to step-down to a "regular bed/unit"

**Measurement: Written report submitted to CBHS Placement Director.**

4. Crestwood facilities in conjunction with the CBHS Utilization Review Nurse, will identify, on a regular basis, obstacles to discharge for San Francisco residents who are not discharge ready or have discharge potential within 90 days.

**Measurement: Written report submitted to CBHS Placement Director**

5. A case conference involving Crestwood facilities treatment staff, CBHS Utilization Review Nurse, LPS Conservator, CBHS Linkage Social Worker and/or SPR staff shall be held at the point a San Francisco resident has been at any Crestwood facility for twelve (12) months. A case conference update will be held each six (6) months thereafter until individual is successfully discharged.

**Measurement: A written summary of case conference will be provided to the CBHS Placement Director.**

6. Crestwood facilities will ensure that a Continuous Quality Improvement (CQI) process is in place that focuses on the facility's utilization management, including length of stay.

Individual facility's medical staff will participate in a peer review process and peer review activities will be reported quarterly.

Each facility will participate in quality of care (critical incident) conferences involving San Francisco residents.

**Measurement: Facility will submit CQI reports to CBHS on a quarterly basis.**

7. Each Crestwood facility will provide a faxed individualized census report to the CBHS Director of Placement each Monday including holidays that will include the following elements:

- a. Current census broken down by patient type
- b. New admits since previous Monday
- c. Discharges since previous Monday
- d. Transfers to acute since previous Monday
- e. Bed holds
- f. Other activity/information

**Measurement: CBHS Director of Placement will receive Completed fax each Monday before noon.**

8. Each Crestwood facility will provide a completed Placement Tracking form with each new admission and discharge. This form is to be faxed to the CBHS Director of Placement within 24-hour of the resident status change.

**Measurement: the CBHS Director of Placement will receive Completed Placement Tracking form with each San Francisco resident admission, transfer and discharge.**

9. There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring Crestwood facility will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

**8. Continuous Quality Improvement**

Crestwood facilities will ensure that a Continuous Quality Improvement Process, which is CARF accredited, is in place that focuses on the facility's utilization management, including length of stay.

Individual facility's medical staff will participate in a peer review process and peer review activities will be reported quarterly.

Each facility will participate in quality of care (critical incident) conferences involving San Francisco residents.

**Measurement: Facility will submit Quality Improvement reports to CBHS on a semi-annual basis.**

**Appendix B**  
**Calculation of Charges**  
Term: 7/1/13-12/31/14

**1. Method of Payment.**

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those appendices which include General Fund monies.

(1) Fee for Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

(2) Cost Reimbursement (Monthly Reimbursement for Actual Expenditures within Budget:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month for reimbursement of the actual costs for SERVICES of the preceding month. All costs associated with the SERVICES shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

B. Final Closing Invoice

(1) Fee For Service Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

(2) Cost Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

**2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1 Crestwood Rates

**B. COMPENSATION**

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Cost Reporting/Data Collection (CR/DC) and Program Budget, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed Fifty One Million Seven Hundred Twenty Eight Thousand One Hundred Fifty One Dollars (\$51,728,151) for the period of October 1, 2008 through December 31, 2014.

CONTRACTOR understands that, of this maximum dollar obligation, \$1,516,094 is included as a contingency amount and is neither to be used in Appendix B, Budget, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Budget, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of Services, and a revised Appendix B, Cost Reporting Data Collection form, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these appendices in compliance with the instructions of the Department of Public Health. These appendices shall apply only to the fiscal year for which they were created. These appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Budget and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Budget and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Cost Reporting Data Collection form, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

October 1, 2008 through June 30, 2009  
July 1, 2009 through June 30, 2010

\$4,739,976  
\$7,704,785

July 1, 2010 through June 30, 2011	\$8,071,785
July 1, 2011 through June 30, 2012	\$8,044,700
July 1, 2012 through June 30, 2013	\$8,422,801
July 1, 2013 through June 30, 2014	\$8,818,673
July 1, 2014 through December 31, 2014	\$4,409,337
October 1, 2008 through December 31, 2014	\$50,212,057

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.

**Appendix F**  
**Invoice**

**CMS# 6442**  
**P-500 (11-07)**

**July 1, 2013**



RATE SCHEDULE  
FY2013-14 EXHIBIT B-1  
Date: July 1, 2013

<b>Facility</b>	
ALAMEDA	
AMERICAN RIVER	
ANGWIN	
BAKERSFIELD	
EUREKA	
FREMONT	
FRESNO	
IDYLWOOD	
MODESTO	
PLEASANT HILL	
REDDING	
SACRAMENTO	
SAN JOSE	
SOLANO	
STOCKTON	
VALLEJO	
	FY 13-14
<b>GENERAL</b>	<b>Rate</b>
Level 1	29
Level 2	32
Level 3	52
Level 4	84
Level 5	93
Level 6	105
Level 7	124
Level 8	150
Level 9	192
Level 10	218
Level 11	235
Level 12	259
Level 13	273
Level 14	367
Level 15	406
Level 16	460
Level 17	471
Level 18	524
Level 19	628
Level 20	890
	FY 13-14
<b>Professional Fee</b>	<b>Rate</b>
99303	72.1
99303 OFC	59.44
99313	42.23
99311	15.45

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR  
FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE**

Appendix F  
PAGE A

Control Number

Contractor: Crestwood Behavioral Health, Inc.

Address: 7590 Shoreline Drive, Stockton, CA 95219

Tel No.: (209) 478-5291

Contract Term: 07/01/2013 - 06/30/2014

PHP Division: Community Behavioral Health Services

INVOICE NUMBER:

M01 JL 3

Ct.Blanket No.: BPHM

TBD

Ct.PO No.: POHM

TBD

Fund Source:

General Fund - General

Invoice Period :

July 2013

Final Invoice:

(Check if Yes)

ACE Control Number:

Unduplicated Clients for Exhibit:	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC

\*Unduplicated Counts for AIDS Use Only.

DELIVERABLES Program Name/Reptg. Unit Modality/Mode # - Svc Func (MH Only)	Total Contracted		Delivered THIS PERIOD		Unit Rate	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
	UOS	CLIENTS	UOS	CLIENTS			UOS	CLIENTS	UOS	CLIENT	UOS	CLIENTS
Share of Cost					\$ -	\$ -	0.000		#DIV/0!		0.000	
Step Down					\$ -	\$ -	0.000		#DIV/0!		0.000	
Transfer					\$ -	\$ -	0.000		#DIV/0!		0.000	
RCF					\$ -	\$ -	0.000		#DIV/0!		0.000	
Level 1					\$ 29.00	\$ -	0.000		#DIV/0!		0.000	
Level 2					\$ 32.00	\$ -	0.000		#DIV/0!		0.000	
Level 3					\$ 52.00	\$ -	0.000		#DIV/0!		0.000	
Level 4					\$ 84.00	\$ -	0.000		#DIV/0!		0.000	
Level 5					\$ 93.00	\$ -	0.000		#DIV/0!		0.000	
Level 6					\$ 105.00	\$ -	0.000		#DIV/0!		0.000	
Level 7					\$ 124.00	\$ -	0.000		#DIV/0!		0.000	
Level 8					\$ 150.00	\$ -	0.000		#DIV/0!		0.000	
Level 9					\$ 192.00	\$ -	0.000		#DIV/0!		0.000	
Level 10					\$ 218.00	\$ -	0.000		#DIV/0!		0.000	
Level 11					\$ 235.00	\$ -	0.000		#DIV/0!		0.000	
Level 12					\$ 259.00	\$ -	0.000		#DIV/0!		0.000	
Level 13					\$ 273.00	\$ -	0.000		#DIV/0!		0.000	
Level 14					\$ 367.00	\$ -	0.000		#DIV/0!		0.000	
Level 15					\$ 406.00	\$ -	0.000		#DIV/0!		0.000	
Level 16					\$ 460.00	\$ -	0.000		#DIV/0!		0.000	
Level 17					\$ 471.00	\$ -	0.000		#DIV/0!		0.000	
Level 18					\$ 524.00	\$ -	0.000		#DIV/0!		0.000	
Level 19					\$ 628.00	\$ -	0.000		#DIV/0!		0.000	
Level 20					\$ 890.00	\$ -	0.000		#DIV/0!		0.000	
<b>TOTAL</b>							0.000		#DIV/0!		0.000	

**SUBTOTAL AMOUNT DUE** \$ -  
Less: Initial Payment Recovery  
(For DPH Use) Other Adjustments  
**NET REIMBURSEMENT** \$ -

NOTES:

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

**Send to:**  
Community Programs Budget/ Invoice Analyst  
1380 Howard St., 4th Floor  
San Francisco, CA 94103

DPH Authorization for Payment

Authorized Signatory

Date



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/27/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Commercial Lines - (415) 541-7900 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408 45 Fremont Street, Suite 800 San Francisco, CA 94105-2259	CONTACT NAME: PHONE (A/C, No, Ext): 415 541-7900 FAX (A/C, No): 415 541-7195 E-MAIL: ADDRESS:
	INSURER(S) AFFORDING COVERAGE INSURER A: Great American Insurance Company INSURER B: Great American Alliance Insurance Company INSURER C: INSURER D: INSURER E: INSURER F:
INSURED Crestwood Behavioral Health, Inc. 520 Capitol Mall, Suite 800  Sacramento CA 95814	NAIC # 16691 26832

## COVERAGES

CERTIFICATE NUMBER: 4769903

REVISION NUMBER: See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		CAP166996902	9/1/2012	9/1/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE  DED RETENTION \$		EXC166997002	9/1/2012	9/1/2013	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

HELIOS HEALTHCARE LLC IS INCLUDED AS NAMED INSURED ONLY AS RESPECT MANAGEMENT AGREEMENT OF IDYLWOOD CARE CENTER. City & County of SAN FRANCISCO, its officers, agents and employees are INCLUDED AS ADDITIONAL INSURED WITH RESPECT TO LIABILITY ARISING OUT OF THE SOLE NEGLIGENCE OF THE NAMED INSURED

## CERTIFICATE HOLDER

## CANCELLATION

City and County of San Francisco Department  
of Public Health CBHS Contracts Office  
1380 HOWARD STREET, Room 420  
San Francisco, CA 94103-2614

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

002235

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ACORD 25 (2010/05)



\*CYB01A27/000971/02/03/0/0/0\*

## CERTIFICATE OF INSURANCE

This *Certificate* is issued as a matter of information only and confers no rights upon the Certificate Holder. This *Certificate* is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein.

**CERTIFICATE HOLDER:** *County of San Francisco*, a California County, 1380 Howard St., 5<sup>th</sup> Fl, San Francisco, CA 94103

**INSURED:** *Crestwood Behavioral Health Inc (all locations)*, 520 Capitol Mall #800, Sacramento, CA 95814

### **COVERAGES:**

This is to certify that the policies of insurance listed below have been issued to the Insured named above for the policy period indicated notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to the terms and conditions, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

### **WORKERS COMPENSATION CARRIER:**

*National Union Fire Insurance Co.*, Policy 025052343 ; 1/1/2013-1/1/2014  
Statutory WC; Employers Liability \$1,000,000 claim/aggregate/employee

### **GENERAL & PROFESSIONAL LIABILITY CARRIER:**

*Chartis Specialty Lines Insurance Co.*, Policy 1929684; 1/1/2013-1/1/2014  
\$1/6,000,000 Each & Aggregate Claims; Occurrence Manuscript form both parts;  
Products/Completed Operations \$6,000,000; Personal/Advertising \$1,000,000

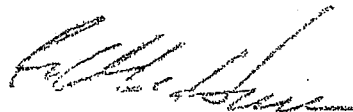
**DESCRIPTION OF OPERATIONS:** Psychiatric & Skilled Nursing Facility

### **CANCELLATION:**

Should any of the above described policies be cancelled prior to expiration, the issuing company will endeavor to mail 30 days written notice to the certificate holder but failure to mail such notice will impose no obligation or liability of any kind upon the company, its agents, brokers or representatives.

The Certificate Holder is an Additional Insured for general liability only.

Robert M. Hunt, Authorized Representative  
RM Hunt & Associates, Inc.  
625 Second St. Suite #206  
Petaluma CA 94952 Tel: 707 769 2970



1/7/2013

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Second Amendment**

THIS AMENDMENT (this "Amendment") is made as of this 1<sup>st</sup> day of July, 2014, in San Francisco, California, by and between **Crestwood Behavioral Health, Inc.** ("Contractor"), and the **City and County of San Francisco**, a municipal corporation ("City"), acting by and through its Director of Public Health.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the term of the contract and increase the contract amount;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

a. **Agreement.** The term "Agreement" shall mean the Agreement dated October 1, 2008, Contract Number BPHM09000045, between Contractor and City, as amended by this second amendment.

b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

a. **Section 2. Term of the Agreement currently reads as follows:**

**2. Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from **October 1, 2008 to December 31, 2014.**

The City shall have the sole discretion to exercise the following options pursuant to RFP-1-2008 dated January 29, 2008 to extend the Agreement term:

- Option 1: July 1, 2013 - June 30, 2014
- Option 2: July 1, 2014 - June 30, 2015
- Option 3: July 1, 2015 - June 30, 2016
- Option 4: July 1, 2016 - June 30, 2017
- Option 5: July 1, 2017 - June 30, 2018

Such section is hereby amended in its entirety to read as follows:

**2. Term of the Agreement**

Subject to Section 1, the initial term of this Agreement shall be from **October 1, 2008 to June 30, 2018.**

**b. Section 5. Compensation of the Agreement currently reads as follows:**

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Fifty One Million Seven Hundred Twenty Eight Thousand One Hundred Fifty One Dollars (\$51,728,151). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

Such section is hereby amended in its entirety to read as follows:

**5. Compensation**

Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the Director of the Public Health Department, in his or her sole discretion, concludes has been performed as of the 1st day of the immediately preceding month. In no event shall the amount of this Agreement exceed Eight Six Million Two Hundred Sixteen Thousand Eight Hundred Sixty Dollars (\$86,216,860). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by The Department of Public Health as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

3. **Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

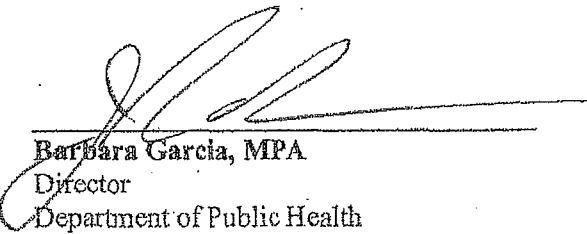




IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

Recommended by:

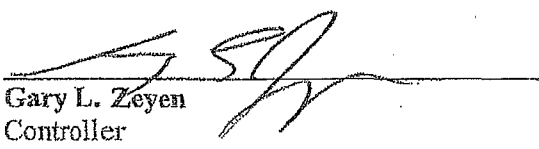
  
Barbara Garcia, MPA  
Director  
Department of Public Health

Approved as to Form:

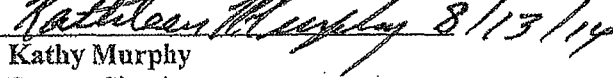
Dennis J. Herrera  
City Attorney

**CONTRACTOR**


**CRESTWOOD BEHAVIORAL HEALTH,  
INC.**

  
Gary L. Zeyen  
Controller  
520 Capitol Mall, Suite 800  
Sacramento, CA 95814

City vendor number: 47860

By:  8/13/14  
Kathy Murphy  
Deputy City Attorney

Approved:

  
Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser



1. **Crestwood Behavioral Health, Inc.**  
520 Capitol Mall Ste. 800  
Sacramento CA 95814  
Telephone: ( 916 ) 471-2244/ Facsimile: ( 916 ) 471-2212

2. **Nature of Document:**

☐ New      ☒ Renewal      ☐ Modification

3. **Goal Statement**

The program goal at each Crestwood Facility is to provide innovative, recovery-based programs and maximize each individual's functional capacity fostering self-care and return to the highest level of independent living possible in the community. In addition, San Francisco Department of Public Health agrees to provide for those residents with specialized needs, medical and/or pharmaceutical supplies at its own expense patients placed upon authorization of the San Francisco Department of Public Health Placement Program into facilities designated by SF.Placement authorization. This requires the specific approval of the Director of Placement.

4. **Target Population**

San Francisco residents admitted to Crestwood facilities recognized as IMD or licensed as MHRC will be 18 years to 64 years and have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to Crestwood facilities licensed as a SNF and not having IMD designation will be 18 years of age and above and will have an Axis I DSM-IV psychiatric diagnosis. San Francisco residents admitted to Crestwood Fremont or Crestwood Idylwood Neurobehavioral units will have a primary diagnosis of dementia and will be covered under Appendix A unless specifically identified by Community Behavioral Health Services (CBHS) Director of Placement as covered under this Appendix.

Individuals who suffer exclusively from developmental disability, mental retardation, dementia, or physical illness without a psychiatric component will not be considered for admission to Crestwood Facilities with the exception of the Crestwood Idylwood Neurobehavioral beds for primary diagnosis of dementia.

If a San Francisco resident on voluntary status or private conservatee is referred by the Long Term Care Program to Crestwood, an addendum to the admission agreement will be signed by private conservator or voluntary resident in advance of admission indicating that voluntary individual or private conservator will comply with CMHS' utilization management decisions regarding the individual's readiness to move to a lower level of care.

5. **Modality(ies)/Interventions**

Crestwood programs operate under a recovery/psycho-social rehabilitation model. The focus of the program is to assist each consumer to build strengths, self-reliance, and independence as well as improving the physical health of consumers.

In the MHRC and community based services level support is provided by staff, the consumer is responsible for maintaining both personal and shared space while in the program. It is

through self-efficacy, independence, and ownership of the program that the consumer gains the skills, support, and confidence to transition toward living in the community. They are involved in the writing of their own treatment goals and are expected to participate in the treatment program.

Consumers are encouraged to be active participants and are encouraged to reach their highest potential of independence, self-sufficiency, and satisfaction. The program provides a structure of support and education, which gives the consumer an opportunity to manage and modify symptoms and behaviors that impact stability, as well as provide a strengthening of their natural support system. The program utilizes the healing arts, life skills, and pre-vocational training as guides and opportunities for greater self expression, self confidence, and meaningful accomplishments. The goal is successful community re-entry.

At the SNF/non IMD 24 hour skilled nursing care is provided with registered nurses on site 24 hours per day. We provide comprehensive psychiatric and behavioral evaluation and related services, as well as neurobehavioral services. Physical, occupational, and speech therapies (including swallowing rehabilitation) are available. We provide skilled nursing care for comprehensive wound management, complex medical cases, and complicated/traumatic orthopedic and rehabilitation.

## **6. Methodology**

Crestwood Behavioral Health, Inc. offers comprehensive mental health services at all of its facilities, from short-term skilled stabilization, recovery and rehabilitation services to extended support services.

Each facility has a unique profile, offering different services (depending on the facility program) to assist each client in maximizing their wellness.

Program basic services include; Life skill training, money management, Wellness Recovery Action Planning, training on accessing community services, transitional programs, discharge planning, access to required medical treatment, up-to-date pharmacology, transportation to needed off-site services, bi-lingual programming, and psycho-social rehabilitation groups and classes.

### **A. Describe program outreach, recruitment and advertisement:**

Crestwood Behavioral Health Inc. utilizes their web site [www.crestwoodbehavioralhealth.inc](http://www.crestwoodbehavioralhealth.inc) and newsletter to provide outreach, recruitment, promotion and advertisement. All outreach efforts are conducted in a culturally and linguistically competent manner, based on the demographics of each region.

### **B. Describe your program's admission, enrollment, and/or intake criteria and process:**

Crestwood B H, Inc. currently has a non-centralized intake system. This provides the discharge team and the Crestwood clinical staff an opportunity to explore the potential admission with a variety of programs to provide the highest level of efficacy.

There are, on occasion, referrals that are denied by all of the CBHI programs. We utilize a central intake system where San Francisco can refer the clients that have been denied at the existing

programs to a central intake system. The central intake system will evaluate the referral for appropriate placement within the Crestwood system. Together with San Francisco, Crestwood will determine what level of care the client requires prior to admission.

Crestwood will coordinate with San Francisco General Hospital and San Francisco Mental Health to determine the level of services needed for each referral. Once the client is accepted to a Crestwood facility, central intake is no longer involved. Transportation, dates of arrival, etc. will be handled together by a representative of San Francisco and the individual facility that has accepted the client.

The facility administrator shall be accessible to San Francisco County Mental Health staff as needed throughout the admission process and treatment.

The Crestwood system of services shall provide an opportunity for consumers to be transferred from within the Crestwood system of programs to a higher or lower level of care as needed with the approval of the San Francisco DMH liaison. The transfer to a higher level of care for psychiatric or medical stabilization will not require that the person be sent back to SFGH, however, there may times when the stabilization needs are too great for a Crestwood facility and transfer to SFGH may be required.

The focus of the movement from within the Crestwood system will be directed to reintegration to the community whenever possible with attention focused on community living skill development and vocational preparation with the support of Dreamcatchers Empowerment Network. Consumers will be supported in their transition to the community by Crestwood staff, and this support may be expanded to include case management services continued post discharge as needed.

Every effort will be made to accept and treat all San Francisco referred clients while maintaining the overall safety of clients already in Crestwood facilities and the integrity of Crestwood programs. There may be cases where clients are refused by all Crestwood programs. In these cases, individual case conferences may be scheduled between San Francisco and Crestwood to determine if there is any way to accommodate the referral.

San Francisco residents admitted to Crestwood Fremont or Crestwood Idylwood Neurobehavioral units will have a primary diagnosis of dementia and will be covered under Appendix A@ unless specifically identified by Community Behavioral Health Services (CBHS) Director of Placement as covered under this Appendix.

Individuals admitted to any of the Crestwood facilities may also have concomitant medical problems and/ or have physical impairments requiring special needs that might include the use off a wheelchair, walker, or cane; individuals admitted to Crestwood may also have vision and/or hearing loss, or speech impediment.

Crestwood will primarily admit San Francisco residents directly from acute psychiatric inpatient units.

The Director of CBHS Placement or his/her designee will authorize referrals to Crestwood facilities into contracted beds. All such referrals will have been approved for locked psychiatric SNF, MHRC or community care licensed level of care.

Each San Francisco resident admitted to the Crestwood facilities into a contract bed will be reviewed every thirty (30) days by CMHS Utilization Review Nurse, who will monitor ongoing treatment and progress toward treatment goals including discharge as soon as clinically appropriate.

**C. Describe your program's service delivery model and how each service is delivered, e.g. phases of treatment, hours of operation, length of stay, locations, of service delivery, frequency and duration of service, strategies for service delivery, wrap-around services, etc.**

The programs at Crestwood Behavioral Health operate under a recovery based/ psycho-social rehabilitation model that holds the standard that all individuals can achieve a sense of personal satisfaction and lead a meaningful life, regardless of their diagnosis or circumstances.

The licensed nursing clinical staff shall provide the following:

- History and physical examination
- Admission note
- Weekly assessment note regarding effectiveness of treatment, issues related to ADLs,
- Medical needs and interventions documentation
- Admission orientation and documentation
- Examination of conservatorship documentation and adherence to the specifications.
- Admission psycho-social assessment
- Recreation assessment
- Monthly and quarterly assessment of strengths, needs, abilities and

The clinical program staff shall provide:

- Preferences and documentation.
- Support and documentation related to the clients participation in the treatment program provided at the facility and in the community.
- Individual support sessions with the clinical staff on the clients strengths, needs, abilities, and preferences, including the clients goals and progress
- Discharge/transition assessment, identification of obstacles to community re-entry and plan to provide support to facilitate a successful community re-entry plan.
- Linkage with community resources
- Dual recovery support and linkage to community dual recovery services
- Special treatment interventions with identified discipline related to provision of the care, including dual recovery, Cognitive Behavior Therapy, Dialectical Behavior Therapy, expressive arts, medical interventions, counseling and family therapy. These shall be provided through the treatment team and facility resources including consultants.
- Discharge planning including coordination with the CBHS Linkage Staff, conservator, physician and pharmacy and potential community placements.
- Wellness Recovery Action Plan (WRAP)

Length of stay and hours of service:

Each program has a specific length of stay, based on the target population and program interventions. All programs are 24 hours services.

Locations:

Crestwood Behavioral Health currently serves clients in the following programs –

Alameda	Redding
Angwin	Sacramento
Bakersfield	San Jose
Eureka	Solano - Our House and
Fremont	Livingquest
Idylwood	Stockton
Modesto	

Our services are diverse and we are able to accommodate individuals with unique and challenging behavioral health issues.

**D. Describe your program's exit criteria and process, e.g. successful completion, step- down process to less intensive treatment programs, aftercare, discharge planning.**

Each program has distinct criteria for discharge/exit based on their target population. Discharge support services: Discharge/transition assessment, identification of obstacles to community re-entry and plan to provide support to facilitate a successful community re-entry plan. Crestwood provides linkage with community resources, dual recovery support and linkage to community dual recovery services.

Crestwood provides discharge planning including referrals to lower levels of care, coordination with the CBHS Linkage Staff, conservator, physician and pharmacy and potential community placements.

Social work documentation shall begin at point of admission with updates based on evaluation of resident's functional capacity. Documentation shall be relevant to resident's treatment goals and plans. Barriers to discharge will be identified and interventions that will address and/or resolve those barriers will be documented.

CBHS Linkage Staff, working in the Placement Program, and SPR staff will interface on a regular basis with Crestwood social services staff regarding the discharge readiness of residents.

When requested to make a resident ready for discharge or transfer, the facility will prepare all paperwork for resident discharge and make all arrangements within five (5) working days of receipt of written or verbal request from conservator, CBHS Linkage/Placement staff, or SPR staff.

Crestwood will notify Director of CBHS Placement or his/her designee by fax or telephone on the day of discharge of any San Francisco resident.

Crestwood will send medication and prescription information with resident upon discharge.

Need for Acute Hospitalization

In the event that the Crestwood facility(s) staff determines that a San Francisco resident should return to the acute hospital sector, the following procedures will be observed:

- 1) Emergency returns during working hours, Monday-Friday: refer to Psychiatric Emergency Return of San Francisco Residents Placed in out-of-county L-facilities (Manual No 3.03.3).
- 2) Non-emergency returns: an authorization is necessary from the Director of CBHS Placement or his/her designee.
- 3) Off-hour emergency returns: The CBHS Placement Director must be notified on the next working day of any emergency returns made during non-business hours.
- 4) The bed of any patient referred to the acute hospital will be held for seven (7) days pending his/her return.
- 5) There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring facility will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

#### **E. Staffing:**

Each facility has separate and distinct staffing allocations which meet all requirement of Title 22 for SNF/STP, Title 9 and Commission of Accreditation of Rehabilitation Facilities for MHRC's and Title 22 and Commission of Accreditation of Rehabilitation Facilities for community care programs.

Facility staff shall include as required by specific licensure:

- Medical Director
- Director of Nursing Services
- Internist
- Psychiatrist
- Registered Nurses
- Licensed Psychiatric Technicians and Licensed Vocational Nurse
- Mental Health Workers
- Service coordinator/Case manager
- Peer Provider
- Recreation, Music, Art or dance Therapist
- Quality Assurance Supervisor

All staff shall perform duties specific to their professional scope of licensure or specific training.

**Attending psychiatrist's** court testimony when required and following conditions must be met:

- a. Be fully prepared, i.e., review resident chart prior to proceedings
- b. Appear on time and sit through the hearing process in order to provide expert testimony in resident's case
- c. In case of inability to attend, sufficient notice must be given by the psychiatrist. If time does not permit mailing notice, then the notice must be faxed to the mental health court.



The attending psychiatrist must make a note at least every thirty-(30) days that addresses:

1. Resident's current level of functioning, addressing all 5 Axis
2. Description of resident's behaviors that present as an obstacle to discharge.
3. Behavioral assessment of current behavioral barriers effecting discharge potential
4. Documentation to support significant changes in functioning level, progress/regression.
5. Specific justification as to why resident needs to remain at current level of care.
6. Document current dose of medication(s).
7. Resident's response to medication(s).
8. Resident's compliance with medication(s).
9. Resident's use of PRN medication.
10. Notes shall reflect physician's use of laboratory results to determine adjustment to medication(s).
11. There shall be evidence of a monthly assessment and update

**Nursing Staff:** Nursing staff must make a note at least every seven- (7) days that addresses:

1. Nursing management of the resident specific to problems identified in the resident's treatment plan.
2. Areas of the resident's ADL's requiring nursing intervention and frequency of that intervention.

**Program Staff:**

1. Resident's attendance and participation in STP will be documented in resident's chart.
2. Resident will receive at least weekly individual sessions with STP group leader to discuss STP goals and progress.

## **7. Objectives and Measurements**

### **A. Performance/Outcome Objectives**

1. Crestwood facilities licensed as MHRC or as SNF and designated, as IMD will not return more than three (2) San Francisco residents per month to PES.

Measurement: (1) The Long Term Care Director will be notified in advance of each situation involving a return to PES. (2) The facility will maintain a log of all patients transferred to PES and submit quarterly to Director of CBHS Placement.

2. Crestwood facilities licensed as SNF and not designated as IMD will not return more than three (3) San Francisco residents per fiscal year to PES.

**Measurement: (1) The CBHS Placement Director will be notified in advance of each situation involving a return to PES. (2) The facility will maintain a log of all patients transferred to PES and submit quarterly to Director of CBHS Placement.**

3. Crestwood facilities licensed as MHRC or those designated as IMD, in conjunction with the CBHS Utilization Review Nurse, will provide at a weekly meeting an updated list of San Francisco residents who are:

- a. Discharge ready and being referred for placement
- b. Have discharge potential within the next 90 days or
- c. Reside on an "enhanced or higher acuity bed/unit" and are ready to step-down to a "regular bed/unit"

**Measurement: Written report submitted to CBHS Placement Director:**

4. Crestwood facilities in conjunction with the CBHS Utilization Review Nurse, will identify, on a regular basis, obstacles to discharge for San Francisco residents who are not discharge ready or have discharge potential within 90 days.

**Measurement: Written report submitted to CBHS Placement Director**

5. A case conference involving Crestwood facilities treatment staff, CBHS Utilization Review Nurse, LPS Conservator, CBHS Linkage Social Worker and/or SPR staff shall be held at the point a San Francisco resident has been at any Crestwood facility for twelve (12) months. A case conference update will be held each six (6) months thereafter until individual is successfully discharged.

**Measurement: A written summary of case conference will be provided to the CBHS Placement Director.**

6. Crestwood facilities will ensure that a Continuous Quality Improvement (CQI) process is in place that focuses on the facility's utilization management, including length of stay.

Individual facility's medical staff will participate in a peer review process and peer review activities will be reported quarterly.

Each facility will participate in quality of care (critical incident) conferences involving San Francisco residents.

**Measurement: Facility will submit CQI reports to CBHS on a quarterly basis.**

7. Each Crestwood facility will provide a faxed individualized census report to the CBHS Director of Placement each Monday including holidays that will include the following elements:

- a. Current census broken down by patient type
- b. New admits since previous Monday
- c. Discharges since previous Monday
- d. Transfers to acute since previous Monday
- e. Bed holds
- f. Other activity/information

**Measurement: CBHS Director of Placement will receive Completed fax each Monday before noon.**

8. Each Crestwood facility will provide a completed Placement Tracking form with each new admission and discharge. This form is to be faxed to the CBHS Director of Placement within 24-hour of the resident status change.

**Measurement: the CBHS Director of Placement will receive Completed Placement Tracking form with each San Francisco resident admission, transfer and discharge.**

9. There is an understanding and agreement by contractor that any patient returned to PES or SFGH for acute treatment will be returned ASAP. When the patient no longer meets the medical necessity criteria for acute inpatient according to Title IX, the referring Crestwood facility will be expected to accept the patient back into their facility in a timely manner that does not require administrative days.

#### **8. Continuous Quality Improvement**

Crestwood facilities will ensure that a Continuous Quality Improvement Process, which is CARF accredited, is in place that focuses on the facility's utilization management, including length of stay.

Individual facility's medical staff will participate in a peer review process and peer review activities will be reported quarterly.

Each facility will participate in quality of care (critical incident) conferences involving San Francisco residents.

**Measurement: Facility will submit Quality Improvement reports to CBHS on a semi-annual basis.**

## Appendix B Calculation of Charges

### 1. Method of Payment

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those appendices which include General Fund monies.

#### (1) Fee for Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

#### (2) Cost Reimbursement (Monthly Reimbursement for Actual Expenditures within Budget:

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month for reimbursement of the actual costs for SERVICES of the preceding month. All costs associated with the SERVICES shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

### B. Final Closing Invoice

#### (1) Fee For Service Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

#### (2) Cost Reimbursement:

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those costs incurred during the referenced period of performance. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

**2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1 Crestwood Rates

**B. COMPENSATION**

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Cost Reporting/Data Collection (CR/DC) and Program Budget, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed Eight Six Million Two Hundred Sixteen Thousand Eight Hundred Sixty Dollars (\$86,216,860) for the period of October 1, 2008 through June 30, 2018.

CONTRACTOR understands that, of this maximum dollar obligation, \$5,139,448 is included as a contingency amount and is neither to be used in Appendix B, Budget, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Budget, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of Services, and a revised Appendix B, Cost Reporting Data Collection form, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these appendices in compliance with the instructions of the Department of Public Health. These appendices shall apply only to the fiscal year for which they were created. These appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Budget and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Budget and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Cost Reporting Data Collection form, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

October 1, 2008-June 30, 2009	\$4,739,976
July 1, 2009-June 30, 2010	\$7,704,785
July 1, 2010-June 30, 2011	\$8,071,785
July 1, 2011-June 30, 2012	\$8,044,700
July 1, 2012-June 30, 2013	\$8,422,801
July 1, 2013-June 30, 2014	\$8,818,673
July 1, 2014-December 31, 2014	\$4,409,337
January 1, 2015-June 30, 2015	\$4,409,336
July 1, 2015-June 30, 2016	\$8,818,673
July 1, 2016-June 30, 2017	\$8,818,673
July 1, 2017-June 30, 2018	\$8,818,673
	<u>\$81,077,412</u>
contingency	<u>\$5,139,448</u>
<b>Total</b>	<b>\$86,216,860</b>

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.

**Appendix F**  
**Invoice**

**DEPARTMENT OF PUBLIC HEALTH CONTRACTOR  
FEE FOR SERVICE STATEMENT OF DELIVERABLES AND INVOICE**

Appendix F  
PAGE A

Control Number

**CBHS**

Contractor: Crestwood Behavioral Health, Inc.

Address: 7590 Shoreline Drive, Stockton, CA 95219

Tel No.: (209) 478-5291

Contract Term: 07/01/2014 - 12/31/2014

PHP Division: Community Behavioral Health Services

INVOICE NUMBER: M01 JL 14

Cl.Blanket No.: BPHM TBD

Cl.PO No.: POHM TBD

Fund Source: General Fund - General

Invoice Period: July 2014

Final Invoice: (Check if Yes)

ACE Control Number:

Unduplicated Clients for Exhibit:	Total Contracted Exhibit UDC	Delivered THIS PERIOD Exhibit UDC	Delivered to Date Exhibit UDC	% of TOTAL Exhibit UDC	Remaining Deliverables Exhibit UDC

\*Unduplicated Counts for AIDS Use Only.

DELIVERABLES		Total Contracted		Delivered THIS PERIOD		Unit	AMOUNT DUE	Delivered to Date		% of TOTAL		Remaining Deliverables	
Program Name/Reptg. Unit	Modality/Mode # - Svc Func (MH Only)	UOS	CLIENTS	UOS	CLIENTS	Rate		UOS	CLIENTS	UOS	CLIENT	UOS	CLIENTS
Share of Cost						\$ -	\$ -	0.000		#DIV/0!		0.000	
Step Down						\$ -	\$ -	0.000		#DIV/0!		0.000	
Transfer						\$ -	\$ -	0.000		#DIV/0!		0.000	
RCF						\$ -	\$ -	0.000		#DIV/0!		0.000	
Level 2 - SNF2						\$ 32.00	\$ -	0.000		#DIV/0!		0.000	
Level 3 - SNF3						\$ 52.00	\$ -	0.000		#DIV/0!		0.000	
Level 4 - SNF4						\$ 84.00	\$ -	0.000		#DIV/0!		0.000	
Level 6 - RCF1						\$ 105.00	\$ -	0.000		#DIV/0!		0.000	
Level 7 - SNF6						\$ 124.00	\$ -	0.000		#DIV/0!		0.000	
Level 8 - SNF8						\$ 150.00	\$ -	0.000		#DIV/0!		0.000	
Level 10 - SNF9						\$ 218.00	\$ -	0.000		#DIV/0!		0.000	
Level 10 - MHRC1						\$ 228.00	\$ -	0.000		#DIV/0!		0.000	
Level 11 - MHRC2						\$ 268.00	\$ -	0.000		#DIV/0!		0.000	
Level 12 - SNF11						\$ 259.00	\$ -	0.000		#DIV/0!		0.000	
Level 12 - MHRC3						\$ 283.00	\$ -	0.000		#DIV/0!		0.000	
Level 13 - SNF12						\$ 273.00	\$ -	0.000		#DIV/0!		0.000	
Level 14 - SNF14						\$ 367.00	\$ -	0.000		#DIV/0!		0.000	
Level 14 - MHRC4						\$ 380.00	\$ -	0.000		#DIV/0!		0.000	
Level 15 - MHRC5						\$ 420.00	\$ -	0.000		#DIV/0!		0.000	
Level 16 - SNF15						\$ 460.00	\$ -	0.000		#DIV/0!		0.000	
Level 16 - MHRC6						\$ 476.00	\$ -	0.000		#DIV/0!		0.000	
Level 18 - SNF17						\$ 524.00	\$ -	0.000		#DIV/0!		0.000	
Level 18 - MHRC7						\$ 542.00	\$ -	0.000		#DIV/0!		0.000	
Level 19 - MHRC8						\$ 650.00	\$ -	0.000		#DIV/0!		0.000	
<b>TOTAL</b>								0.000		#DIV/0!		0.000	
Budget Amount						\$ -		Expenses To Date		% of Budget		Remaining Budget	
								\$ -		#DIV/0!		\$ -	
SUBTOTAL AMOUNT DUE							\$ -	NOTES:					
Less: Initial Payment Recovery													
(For DPH Use) Other Adjustments													
NET REIMBURSEMENT							\$ -						

I certify that the information provided above is, to the best of my knowledge, complete and accurate; the amount requested for reimbursement is in accordance with the contract approved for services provided under the provision of that contract. Full justification and backup records for those claims are maintained in our office at the address indicated.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Send to:  
Community Programs Budget/ Invoice Analyst  
1380 Howard St., 4th Floor  
San Francisco, CA 94103

DPH Authorization for Payment

Authorized Signatory

Date