


COUNTY OF SAN MATEO
Departmental Correspondence

Date:
Hearing Date:

TO: Honorable Board of Supervisors
Acting as the In-Home-Supportive Services Public Authority

FROM: Charlene A. Silva, Director, Aging and Adult Services 

SUBJECT: Agreement with Addus HealthCare, Inc.

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute an agreement with Addus HealthCare, Inc., for July 1, 2001 to June 30, 2004

Background

In September 1993, by ordinance of the San Mateo County Board of Supervisors, a Public Authority was established to administer the provider components of the In-Home Supportive Services (IHSS) program. The enabling ordinance designated the Board of Supervisors as the governing board of the Public Authority.

There are approximately 2,000 senior and disabled clients receiving IHSS in San Mateo County. Services are delivered using two modes: individual providers, who serve the majority of clients, and a contract agency serving approximately 120 clients. Clients who are unable to hire, supervise or fire their own providers due to the type or severity of their disabilities are referred to the contractor for services. Contract services are reserved for the most at-risk clients who would otherwise need to be placed outside their home and thus are an integral part of our service delivery system. Contract services enable individuals to remain independent for as long as possible and avoid premature institutionalization.

On July 31, 2000, our previous contractor, AJG Services/Assisted Care, Inc., notified Aging and Adult Services (AAS) that the agency planned to terminate, without cause, their agreement to provide IHSS contract services effective September 30, 2000. To meet the immediate client needs, Addus HealthCare, Inc., agreed to provide services under an interim agreement. Your board, acting as the Public Authority, approved this agreement on October 25, 2000 for the period October 1, 2000 to June 30, 2001.

Honorable Board of Supervisors
Agreement with Addus HealthCare, Inc.
Page 2

Discussion

On January 8, 2001, AAS, acting on behalf of the Public Authority, issued a Request For Proposals (RFP) for IHSS contract services for a three-year period beginning July 1, 2001. Three organizations submitted proposals in response to the RFP: Addus HealthCare, Inc., AJG Services/Assisted Care, Inc., and Nurse Providers, Inc. A review committee, which included representatives from the County Manager's Office, Public Health, Mental Health, Public Authority, a community agency, and Aging and Adult Services, evaluated all three proposals. The committee reviewed each applicant's experience and competence in the provision of the services required, staff training and experience, cost, and ability to comply with program requirements. Based on the criteria and the committee's evaluations, Addus HealthCare, Inc. was selected to provide IHSS contract services for a three-year period.

This agreement provides for the delivery of a maximum of 182,000 hours of IHSS to eligible senior and disabled residents of San Mateo County each year for three years beginning July 1, 2001.

County Counsel has reviewed and approved the agreement as to form and content.

Fiscal Impact

The term of this agreement is July 1, 2001 to June 30, 2004. The maximum hours that can be purchased under this agreement each year is 182,000 at a fixed rate of \$14.43 per hour. The maximum amount payable under the agreement is not to exceed \$2,626,260 per year or a total maximum amount for the three years of \$7,878,780. State and Federal funding pays approximately 81% of the cost of this agreement. The remaining 19% represents the required county obligation for the agreement. It is anticipated that approximately 53% of this cost to the county will be offset through the application of realignment trust funds. The amount necessary for reimbursement of this agreement for the first year is included in the recommended 2001-02 Public Authority budget.

RECOMMENDED


HEALTH SERVICES AGENCY

REQUEST FOR PROPOSALS (RFP)

1. General Description of RFP	Contract Services for In-Home Supportive Services
2. List key evaluation criteria	<ul style="list-style-type: none"> • Prior experience • Demonstrated competence in performing the services required • Appropriate plan for delivery of services including staff training and experience, skills, staff-to-client ratio, effective system of supervision • Cost, cost allocations • Ability to document services, provide reports, and maintain records
3. Where was it advertised?	San Francisco Chronicle and San Jose Mercury News - In addition, 110 letters were mailed to potential IHSS providers informing them of the RFP.
4. In addition to any advertisement, list others to whom RFP was sent	See number 3
5. Total number sent to prospective proposers	9
6. Number of proposals received	3
7. Who evaluated the proposals?	<p>Review committee included individuals from the following departments in addition to Aging and Adult Services:</p> <ul style="list-style-type: none"> • County Manager's Office • Public Health • Mental Health • Community Agency – Legal Aid • Public Authority Review Committee
8. In alphabetical order, names of proposers (or finalist, if applicable) and location	<ol style="list-style-type: none"> 1. Addus HealthCare, Inc. Clovis, CA 2. AJG Services/Assisted Care, Inc. San Diego, CA 3. Nurse Providers, Inc. Daly City, CA

RESOLUTION NO. _____

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY,
COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION APPROVING AGREEMENT WITH ADDUS HEALTHCARE, INC.,
FOR JULY 1, 2001 TO JUNE 30, 2004

RESOLVED, by the In-Home Supportive Services Public Authority of the
County of San Mateo, State of California, that

WHEREAS, there has been presented to this Public Authority for its
consideration and acceptance an Agreement, reference to which is hereby made for
further particulars, whereby Addus HealthCare, Inc., shall provide In-Home Supportive
Services to clients of Aging and Adult Services; and

WHEREAS this Board has been presented with a form of the Agreement and has
examined and approved it as to both form and content and desires to enter into the
Agreement:

NOW, THEREFORE, IT IS RESOLVED that the agreement with Addus
HealthCare, Inc., is hereby approved and the President of this Public Authority is hereby
authorized and directed to execute the aforesaid agreement for and on behalf of the
County of San Mateo Public Authority, and the Clerk of this Board shall attest the
President's signature thereto.

COUNTY CONTRACT # _____

STATE CONTRACT # _____

COUNTY OF SAN MATEO
IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY
CONTRACT TO PROVIDE IN-HOME SUPPORTIVE SERVICES
JULY 1, 2001 THROUGH JUNE 30, 2004
MAXIMUM SERVICE HOURS SHALL NOT EXCEED 546,000

I. DECLARATION

This contract is entered into this _____ day of _____, _____, in the State of California by and between the COUNTY OF SAN MATEO IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY, hereinafter referred to as "Authority," and ADDUS HEALTHCARE, INC., hereinafter referred to as "Contractor," for the purpose of providing In-Home Supportive Services (IHSS). The IHSS Program provides assistance to those eligible aged, blind and disabled individuals who are unable to remain safely in their own homes without this assistance. The Authority has approved this contract to maximize options and ensure alternatives to out-of-home care for eligible aged, blind and disabled individuals. This Contract is let in accordance with Title XIX and Title XX of the Social Security Act; California State Welfare and Institutions Code, Sections 12300 et seq., California State Department of Social Services (CDSS) Manual of Policy and Procedures (MPP), Divisions 10, 19, 21, 22, 23, 25, 30 and 46, et seq., Office of Management and Budget (OMB) Circulars. Contractor shall comply with all provisions specified in this Contract.

II. DEFINITIONS

- A. In-Home Supportive Services (IHSS) - An alternative to out-of-home care designed pursuant to the California Department of Social Services (CDSS) MPP Section 30-700. The IHSS Program provides assistance to those eligible aged, blind and disabled individuals who are unable to remain safely in their own homes without this assistance. Services are limited by the availability of funds.

The IHSS Program has two components, the Personal Care Services Program (PCSP) and the In-Home Supportive Services (IHSS) residual:

1. The Personal Care Services Program (PCSP) provides personal care services to eligible Medi-Cal beneficiaries pursuant to Welfare and Institutions Code Section 14132.95 and Title 22, California Code of Regulations, Division 3 and is subject to all other provisions of Medi-Cal statutes and regulations. The program is operated pursuant to California Department of Social Services MPP Division 30 and is funded by Title XIX of the Social Security Act, California General Funds, and County Funds.

2. The Non-Personal Care Services Program (IHSS Residual) is operated pursuant to CDSS MPP Division 30 and is funded by Title XX of the Social Security Act, California General Funds and County Funds.

B. Recipients - Persons determined eligible by the County for IHSS. To be eligible, recipients must be living in their own homes within the boundaries of the County and must meet one of the following conditions:

1. Currently receive Supplemental Security Income (SSI) or State Supplementary Program (SSP) benefits.
2. Meets all SSI/SSP eligibility criteria including income, but does not receive SSI/SSP benefits.
3. Meets all SSI/SSP eligibility criteria except for income in excess of SSI/SSP eligibility standards.
4. Was once eligible for SSI/SSP benefits but became ineligible because of engaging in substantial gainful activity and meets all of the following conditions:
 - a. The individual was once determined to be disabled in accordance with Title XVI of the Social Security Act (SSI/SSP).
 - b. The individual continues to have the physical and mental impairments which were the basis of the disability determination.
 - c. The individual requires assistance in one or more areas specified under the definition of severely-impaired in CDSS MPP Division 30, section 753.

C. Description of Services

1. Domestic services are limited to the following:
 - a. Sweeping, vacuuming, washing and waxing of floor surfaces;
 - b. Washing kitchen counters and sinks;
 - c. Cleaning the bathroom;
 - d. Storing food and supplies;
 - e. Taking out garbage;
 - f. Dusting and picking up;
 - g. Cleaning oven and stove;

- h. Cleaning and defrosting refrigerator;
 - i. Bringing in fuel for heating or cooking purposes from a fuel bin in the yard;
 - j. Changing bed linen; and
 - k. Miscellaneous domestic services, e.g., changing light bulbs.
2. Heavy cleaning that involves thorough cleaning of the home to remove hazardous debris or dirt. The County shall have the authority to authorize this service only at the time IHSS is initially granted to enable the provider to perform continuous maintenance, or, if a lapse in eligibility occurs, eligibility is reestablished and IHSS services have not been provided within the previous 12 months. The County shall have the authority to authorize this service should the recipient's living conditions result in a substantial threat to his/her health/safety. Such service may also be authorized when a recipient is at risk of eviction for failure to prepare his/her home or abode for fumigation as required by statute or ordinance.
3. Related services limited to:
 - a. Preparation of meals includes such tasks as washing vegetables; trimming meat; cooking; setting the table; serving the meal; cutting the food into bite-size pieces;
 - b. Meal cleanup including washing and drying dishes, pots, utensils and culinary appliances and putting them away;
 - c. Planning of meals;
 - d. Routine mending, laundry, ironing, folding and storing clothes on shelves or in drawers;
 - e. Reasonable food shopping and other shopping/errands limited to the nearest available stores or other facilities consistent with the recipient's economy and needs.

The County shall not authorize additional time for the recipient to accompany the provider.

4. Nonmedical personal services limited to:
 - a. Bowel and bladder care such as assistance with enemas, emptying of catheter or ostomy bags, assistance with bed pans, application of diapers, changing rubber sheets, assistance with getting on and off commode or toilet;

- b. Respiration limited to nonmedical services such as assistance with self-administration of oxygen and cleaning of intermittent positive pressure breathing (IPPB) machines.
- c. Consumption of food consisting of feeding or related assistance to recipients who cannot feed themselves or who require assistance with special devices in order to feed themselves;
- d. Routine bed baths;
- e. Bathing, oral hygiene, grooming;
- f. Dressing;
- g. Rubbing of skin to promote circulation, turning in bed and other types of repositioning, assistance on and off the seats and wheelchairs, or into or out of vehicles, and range of motion exercises which shall be limited to the following:
 - 1) General supervision of exercises which have been taught to the recipient by a licensed therapist or other health care professional to restore mobility restricted because of injury, disuse or disease.
 - 2) Maintenance therapy when the specialized knowledge and judgment of a qualified therapist is not required and the exercises are consistent with the patient's capacity and tolerance.

Such exercises shall include the carrying out of maintenance programs; i.e., the performance of the repetitive exercises required to maintain function, improve gait, maintain strength, or endurance; passive exercises to maintain range of motion in paralyzed extremities; and assistive walking.

- h. Moving into and out of bed
- i. Care of and assistance with prosthetic devices and assistance with self-administration of medications.

Assistance with self-administration of medications consists of reminding the recipient to take prescribed and/or over-the-counter medications when they are to be taken and setting up medi-sets.

- j. Routine menstrual care limited to application of sanitary napkins and external cleaning.

- k. Ambulation consisting of assisting the recipient with walking or moving the recipient from place to place.
5. Transportation services when the recipient's presence is required at the destination and assistance is necessary to accomplish the travel are limited to:
- a. Transportation to and from appointments with physicians, dentists and other health practitioners;
 - b. Transportation necessary for fitting health related appliances/devices and special clothing;
 - c. Transportation under a. and b. shall be authorized only after social service staff has determined that Medi-Cal will not provide transportation in the specific case;
 - d. Transportation to the site where alternative resources provide in-home supportive services to the recipient in lieu of IHSS.
6. Yard hazard abatement, which is light work in the yard, may be authorized for:
- a. Removal of high grass or weeds and rubbish when this constitutes a fire hazard;
 - b. Removal of ice, snow or other hazardous substances from entrances and essential walkways when access to the home is hazardous.
7. Protective supervision consisting of observing recipient behavior in order to safeguard the recipient against injury, hazard, or accident.
- a. This service is available for monitoring the behavior of nonself-directing, confused, mentally impaired, or mentally ill persons with the following exceptions:
 - 1) Protective supervision does not include friendly visiting or other social activities;
 - 2) Supervision is not available when the need is caused by a medical condition and the form of the supervision required is medical;
 - 3) Supervision is not available in anticipation of a medical emergency;

4) Supervision is not available to prevent or control antisocial or aggressive recipient behavior.

b. Protective supervision is available under the following conditions:

1) Social services staff has determined that a 24-hour need exists for protective supervision and that the recipient can remain at home safely if protective supervision is provided; and

2) Social Services staff determines that the entire 24-hour need for protective supervision can be met through any of the following or combination of the following:

a. In-Home Supportive Services;

b. Alternative resources;

c. A reassurance telephone service when feasible and appropriate.

Feasibility and appropriateness will be determined exclusively by the social service staff.

The proposed method of meeting protective supervision need **MUST** be approved by the County. Discretion of the Contractor is not allowed.

8. Teaching and demonstration services are provided by IHSS providers to enable recipients to perform for themselves services which they currently receive from IHSS. Teaching and demonstration services are limited to instruction in those tasks listed in section C.1, C.3, C.4, and C.6.

a. This service shall be provided by persons who have successfully completed training as evidenced by a valid certificate;

b. This service shall only be provided when the provider has the ability to do so effectively and safely.

9. Paramedical services include the administration of medications, puncturing the skin, or inserting a medical device into a body or face, activities requiring sterile procedures, or other activities requiring judgment based on training given by a licensed health care professional and are provided under the following conditions:

a. The services shall have the following characteristics:

1) Are activities which persons would normally perform for themselves but for their functional limitations;

2) The activities which, due to the recipient's physical or mental condition, are necessary to maintain the recipient's health.

b. The services shall be provided when ordered by a licensed health care professional who is lawfully authorized to do so. The licensed healthcare professional shall be selected by the recipient;

c. The services shall be provided under the direction of the licensed health care professional; and

d. The licensed health care professional shall indicate to social services staff the time necessary to perform the ordered services.

D. Service Hour - The basic unit of time to which the contractual hourly rate will apply and for which Authority will be billed and the Contractor paid in each billing cycle. A service hour is the actual time spent providing the services listed in Section II.C - Description of Services. The service hour does not include training time, travel time, break time or time spent by providers when recipients are not at home or refuse services.

E. Compliance Audit - An audit that covers all fiscal and programmatic terms and conditions of the contract, which includes, but is not limited to:

1. Any adjustment that is made to the authorized hours of services being provided by the Contractor, i.e., compare authorized hours to hours actually served;

2. The Contractor has served all requested hours seven days a week including nights, weekends and holidays;

3. The Contractor has provided a 24-hour, 800 number telephone service to the provider/recipient for the IHSS program needs and has informed providers and recipients of this service and number;

4. All Authority/County required contract reports are sent in a timely manner, i.e., within timelines specified in the Contract;

5. All provider information and reports are maintained by the Contractor according to contract specifications;

6. The Contractor has complied with the maximum wage and benefit requirements as specified in the contract;

7. The recipient has received written notification of the grievance/appeal rights regarding contractors' delivery of service as specified in the contract.

8. The Contractor has maintained a personnel file for each provider which includes, but is not limited to: provider name, address, telephone number, health insurance, and any other pertinent employee information, as well as documentation of provider training as described in Section III.D.15 (i.e., the documentation of provider orientation training, skill development training for recipient care, and training on wages, benefits, and the completion/submission of timesheets).
 9. The Contractor has supported documentation of payments made to providers, i.e., signed and dated timesheets, with the recipient's approval of hours worked;
 10. The Contractor has complied with the specified supervisor ratio and supervisor/recipient visits;
 11. The Contractor has submitted a current copy of the insurance policy to show actual cost for insurance premiums and a copy of the insurance premium to show actual cost for workers compensation including the ex-mod rate;
 12. The Contractor is in compliance with the Welfare and Institutions Code, the CDSS Manual of Policies and Procedures, Title XIX and Title XX provisions as applicable to the IHSS Program;
 13. The Contractor is in compliance with the Equal Employment Opportunity rules and regulations as applicable to the IHSS Program.
- F. Financial Audit - An audit to determine compliance with all financial provisions in this contract which includes, but is not limited to, all the financial records, accounts and documents, the provider wages, benefits, as well as the budget line items and the budget narrative pertaining to this contract.
- G. Monitoring - Monitoring means the activity necessary to assure compliance with regulations and contractual requirements.
- H. Evaluation - Evaluation means the use of reviews to:
1. Determine the efficiency and effectiveness of social services delivery systems management, optimal utilization of resources and elimination of deficiencies in management information systems, administrative procedures or organizational structure.
 2. Determine whether desired results or benefits are being achieved, whether the objectives established by the regulations are being met and whether the agency has evaluated alternatives which might yield desired results at lower costs.

- I. Audits - Audits shall be conducted in accordance with OMB Circular A-87 et seq., OMB Circular A-110 et seq., OMB Circular A-128, Public Law 98-502 et seq., OMB Circular A-133 et seq., and MPP section 10-150 through 10-153, MPP section 23-640, as appropriate.

A financial and/or compliance audit may be conducted in any area of this contract that the Authority, County, State or Federal Agencies deem necessary.

III. DUTIES AND RESPONSIBILITIES

- A. Authority and Contractor shall have the following joint responsibilities:

1. Prepare periodic evaluations to determine a fiscal and program appraisal of the successes and/or deficiencies of this IHSS Contract to determine the extent to which the program is achieving its purposes.
2. Confer on all cases in which a client grievance/appeal has been registered regarding the conduct or performance of the provider.
3. Maintain liaison personnel.
 - a. Contractor must provide Authority, in writing, the name and address of the person who has the primary responsibility for liaison and coordination of activities of the In-Home Supportive Services Program.
 - b. Authority will provide a similar liaison person to Contractor.
 - c. These persons will act on behalf of their respective organizations to ensure compliance with all Contract provisions.

- B. Authority shall have the following duties and responsibilities:

1. Purchase IHSS from Contractor for appropriate cases, where such services are not otherwise available.
2. If the Contractor is unable to provide authorized services/hours once a recipient has been referred to the Contractor, the Authority has the right, in consultation with County IHSS social workers, to determine if/when a recipient's health and safety are at risk due to Contractor's inability to provide authorized services; and to purchase the recipient's services from a provider chosen by the Authority. The recipient will continue to be served by another provider until the Contractor is able to provide services for the recipient. The cost of purchasing these services from another provider will be deducted from the Contractor's payments and/or recouped through assessment of liquidated damages (See Sections IV.D1 a., k.).

3. Assure a procedure consistent with Exhibit M, which is attached and made a part hereof by this reference, by which each recipient shall have the opportunity to initiate and participate in an Authority review in order to present grievances concerning services under this Contract.
4. Authority, County staff or an independent auditor shall conduct monitoring and prepare evaluations of this Contract in accordance with CDSS MPP Sections 10-150 through 10-153 and MPP Sections 23-640. The Authority monitoring and evaluations are to determine a fiscal and program appraisal of the successes and/or deficiencies of the IHSS Contract and to determine the extent to which the program is achieving its purposes.
 - a. The Authority shall ensure on-going monitoring and the preparation of quarterly evaluations of contracts for the purchase of social services and send the completed monitoring and evaluations reports to CDSS within thirty (30) calendar days following each quarter.
 - b. The Authority or County staff shall notify the contractor in writing within thirty (30) calendar days of the discovery of any potential problems during any monitoring and evaluation examination.
 - c. Authority or County monitoring of the Contract may include, but is not limited to, field reviews, audit claims, review of monthly and quarterly reports, compliance audits, financial audits, monthly review of all records, inquiries concerning individual employees, and any other means the Authority deems necessary. Contractor will provide information requested by Authority for monitoring purposes in a timely manner. Timely manner is defined as within ten (10) calendar days following the Authority request.
5. Ensure that during the effective dates of the contract, the contract agency shall keep all records which are necessary to fully disclose the extent of services to the client. At the expiration of the Contract the Authority shall keep said records for a minimum of three years from the date of service. On request, the Authority shall furnish records for audit to the State of California or the U. S. Department of Health and Human Services or their duly appointed representatives.
6. Assist the Contractor in obtaining complete and current information with respect to pertinent statutes, regulations, policies, procedures and guidelines which apply to the delivery of IHSS.
7. Provide orientation to all appropriate social services staff regarding Contractor's bidding, role, responsibilities and contracting agreements.

8. Authority or County staff shall administer liquidated damages for non-performance as specified in Section IV.D of this Contract.

C. County shall have the following duties and responsibilities:

1. Have sole authority for determination of need for In-Home Supportive Services, the level and quality of services required, and the eligibility of individuals to be served.
2. Assess the continuing need for services and evaluate the effectiveness and quality of services performed by the Contractor pursuant to this contract. Assessment and authorization of In-Home Supportive Services shall be accomplished by County staff at least every twelve months.
3. Have the exclusive right to terminate the recipient's participation in the IHSS Program at any time based on regulatory requirements.
4. Have the exclusive right to terminate provision of service under this contract to any recipient.
5. Have the exclusive right to authorize services for a recipient. The County shall not be liable for the cost of such services furnished to any recipient unless authorization is designated in writing by the County.
6. Maintain records which will include, but not be limited to, the assessment of need; case opening and closing dates; description of actual services to be provided.
7. Assure that in the event recipient's hours are changed for any reason, or County takes any other action, the recipient shall maintain the right to a State hearing. A State hearing shall be available to a claimant who is dissatisfied with a County action (regardless of mode) and a request for hearing may be either written or oral. Claimants are encouraged to use the reverse side of the Notice of Action (NA 690) to request a hearing.
8. Coordinate services with other community resources and activities.

D. Contractor shall have the following duties and responsibilities:

1. Provide IHSS, as specified in this contract.
2. Provide all authorized services to all clients referred by the County to the Contractor. Provide a maximum of 182,000 service hours for each contract year. Exhibit R made a part hereof by this reference.
3. Following the Authority policy and procedure to notify the Authority within three working days of any changes in the recipient's need for services identified by the recipient which indicates a reassessment of need

and/or eligibility may be appropriate including provisions for 24-hour care including weekend and holiday services. Contractor shall notify Authority, within five working days, of each instance of nonreceipt of scheduled services with an explanation and effective dates. Contractor shall notify Authority immediately if the change in circumstances indicates a possible danger to the safety of the recipient. Failure to meet above notification requirements may result in liquidated damages being assessed (See Section IV.D.1.f.).

4. Provide adequate supervisory staff. Adequate staff refers to one supervisor and one branch manager, who also acts as a supervisor, until such time that the County authorizes 12,000 hours of services or more per month. At such time, the Contractor shall provide and maintain a staff supervisory ratio of one IHSS supervisor for each 3,000 hours of authorized service or additional services. Failure to meet supervisory requirements may result in liquidated damages being assessed (See Section IV.D.1.e.).
5. In addition to IHSS supervisory staff, provide adequate administrative and support personnel to carry out the requirements of this contract, which includes, but is not limited to, an on-site program manager.
6. Employ, orient, train, direct and supervise sufficient number of qualified IHSS service providers to provide all authorized services.
7. Deliver all of the authorized services at the time the services are needed, including holidays, weekends and nights. Contractor shall ensure availability of sufficient substitute workers during providers' vacations, sick leave and holidays so that recipients will not be deprived of authorized services. Failure to meet these requirements may result in liquidated damages being assessed (See Section IV.D.1.g.,k.).
8. Provide an initial mandatory orientation, to include topics addressed in CDSS MPP Division 19 (Confidentiality) and Division 21 (Non-Discrimination) to each new and existing service provider within one month of hiring or initiation of Contract.

Provide a complete skill development package. Skill development is training that has a direct relationship to job competencies required of home care workers that will enable them to provide safe, efficient and appropriate personal care services.

Assess the skill level of each employee in relation to the personal care services he/she will be required to perform and provide training that relates to job competencies. Contractor shall maintain records of all employee skill assessments and specific training provided to meet minimum standards of competency.

Failure to meet these requirements may result in liquidated damages being assessed. (See Section IV.D.1.c.)

Above training shall be performed pursuant to the plan as attached marked Exhibit L and made a part hereof.

All training records shall be made available to the Authority upon request.

9. Ensure that paramedical services, as authorized by a health professional on a "Request for Order and Consent-Paramedical Services" (Form SOC 321) for recipients, are performed only by personnel who have been trained to provide such care. Records of skill levels and training related thereto shall be maintained by the Contractor and be available to Authority or County staff upon demand. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.h.).
10. Require that a supervisor visit each recipient's home at least once every three months to:
 - a. Observe the condition of the home;
 - b. Discuss with the recipient the quality of the work provided; and
 - c. Notify the recipient of the process by which any dissatisfaction over service delivery may be expressed.

As a part of this supervision, a supervisor shall accompany each newly hired provider on their first work assignment. Additional visits may be required until the provider has demonstrated an adequate level of job performance. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.j.).

11. Conform with CDSS MPP Section 30-767-123, to the fullest extent possible, give employment preference to all prospective providers who are recipients of public assistance, Greater Avenues For Independence (GAIN) participants or other low income persons who would qualify for public assistance in the absence of such employment. This may include an informal written agreement with the local GAIN program to refer appropriate, employment-ready GAIN participants to Contractor for job placement.
12. In accordance with WIC Section 12304, allow recipients receiving nonmedical personal or paramedical services, to recruit their own provider. Contractor shall accommodate recipient preference in provider assignments in all other cases where practical.
13. The Contractor liaison shall provide any information, as requested by the Authority. Information may include, but not be limited to, that which

documents activity and accomplishments of the program. The Contractor liaison shall provide this information in a timely manner. Unless otherwise stated herein, timely shall mean within ten (10) calendar days of the request for information. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.f.).

14. Provide Authority by the tenth calendar day of each month, a monthly "activity report." This report will include, but is not limited to, any grievance and the result of any grievance by any provider or recipient and any other items the Authority deems necessary. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.f.).
15. Maintain a personnel file for every provider. The personnel file shall include, but is not limited to:
 - a. Name and address of provider;
 - b. Telephone number;
 - c. Social Security number;
 - d. Driver's license number;
 - e. All training given to provider;
 - f. Provider's weekly work schedule;
 - g. Provider's hire date and termination date;
 - h. Provider's emergency contact person;
 - i. Record of benefits, wages and wage increases;
 - j. All insurance coverage(s);
 - k. Provider's evaluations, any adverse action as well as any record of complaints; and
 - l. Any other information Authority deems necessary.

Failure to meet requirements of this section may result in liquidated damages being assessed. (See Section IV.D.1.d.)

Personnel files will be opened to Authority review upon request.

16. Provide to the Authority by the tenth calendar day following the end of each quarter budget, fiscal, statistical, program and other data as may be

required by the Authority. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.f.).

17. Provide to the Authority by the tenth calendar day following the end of each quarter:
 - a. Names of all employees working under this contract;
 - b. Their addresses and telephone numbers;
 - c. Their training records;
 - d. Providers' evaluations; and
 - e. Providers' weekly schedules.

Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.f.).

18. Items 15, 16 and 17 shall be used for the purpose of an ongoing evaluation and assessment of the services provided by the Contractor. In addition, this information will be used as a means for basic information to all bidders on subsequent bidding cycles. This information will assist in implementing a smooth and orderly transfer to a new Contractor, if appropriate.

Contractor shall be liable to the Authority for any cost incurred by the Authority because of Contractor's failure to cooperate in the transition process. Recoupment of costs will be through withholding payment of Contractor's final billing or any other means available to the Authority.

19. Comply and require its officers and employees to comply with the provisions of Section 10850 of the Welfare and Institutions Code and Division 19 of the CDSS Manual of Policies and Procedures to assure that:
 - a. All individuals' applications and records made or kept by a public officer or agency in connection with the administration of the provision of the Welfare and Institutions Code relating to any form of public social services for which grants in aid are received by this State or by the Federal Government will be confidential and will not be open to examination for any purpose not directly connected with the administration of public social services; and
 - b. No person will publish or disclose, or use or permit, or cause to be published, disclosed or used, any confidential information pertaining to an applicant or recipient.

Contractor shall inform all of its employees, agents, subcontractors and partners of the above provision and that any person knowingly and intentionally violating the provisions of said State law is guilty of a misdemeanor.

20. Maintain a local office(s) at San Mateo County, California, which will remain open for business Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. except for designated holidays, and which shall be staffed at all times with appropriate supervisory personnel during business hours.
21. Make no charges to recipients for services with the exception of share of cost as delineated in Section IV.E. of this Contract.
22. Obtain prior written approval from the Authority before subcontracting any of the services delivered under this Contract. Any subcontracting shall be subject to all applicable provisions of this Contract and all applicable State and Federal regulations. The Contractor shall be held responsible by the Authority for the performance of any subcontractor.
23. Submit reports or other data in the format as required for the automated Case Management, Information and Payroll System (CMIPS), the management information system in use in the California Department of Social Services and ensure that if a system is established to charge different rates for personal and domestic care services that this system is compatible with all elements of the case management and payroll system (CMIPS) including the day-to-day data collection and the Contractor Interface (COIN).
24. Abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, the Welfare and Institutions Code, Section 10000, CDSS MPP Division 21, and all other applicable Federal and State laws to ensure that employment practices and the delivery of social services are non-discriminatory. Under this requirement, the Contractor shall not discriminate on the basis of race, color, national origin, political affiliation, religion, marital status, sex, sexual orientation, age, or handicap.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- a. termination of this Agreement;
- b. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;

- c. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- d. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- a. examine Contractor's employment records with respect to compliance with this paragraph;
- b. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

- 25. Comply with U.S. Executive Order 11246, entitled "Equal Employment Opportunity." This is amended by U.S. Executive Order 11375 and supplemented in 45 CFR, Part 60. Contractor shall not discriminate against any employee or applicant for employment on the basis of race, national origin or ancestry, religion, sex, sexual orientation, marital status, political affiliation, age or handicap. Practices in hiring, compensation, benefits, and firing are among the employment practices subject to this requirement.
- 26. Orient all staff to reporting of any suspected elder and dependent adult abuse pursuant to Welfare & Institutions Code (WIC) Sections 15600 et seq. Suspected incidents of physical abuse should be immediately reported by telephone to the Authority, followed by a written report on the required State form SOC 341 within two working days and for the other forms of abuse a written report on the required State form SOC 341 to the County within two working days. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.f.).
- 27. Provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances and complaints

regarding Contractor's delivery of services. Ensure that recipients are made aware of this system and how to access the system. Such a system shall be provided as described in the attached Exhibit M and made a part hereof by this reference.

28. Require applicants for employment to indicate, in writing, whether the applicant has ever been convicted of a crime. Contractor shall use the following specific language on their applications for employment:

"Have you ever been convicted by any court of any crime?"

"NOTE: You may answer "no" if the conviction is specified in Health and Safety Code Section 11361.5, which section pertains to various marijuana offenses, or, the conviction was under Health and Safety Code Section 11557 or its successor 11366 when that conviction was stipulated or designated to be a lesser included offense of the offense of possession of marijuana."

Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.d.).

29. Require proof of identification from a prospective provider prior to placing the prospective provider on a list or registry, or prior to supplying a name from the list or registry to an applicant for, or recipient of, In-Home Supportive Services, as stipulated in WIC Section 12306.5. In addition, Contractor shall interview all applicants, check and document their references, prior to employment as an IHSS provider.

- a. Proof of identification includes, but is not limited to, positive photograph identification from a government source.

Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.d.).

30. Become the enrolled provider in the contract mode for the Personal Care Services Program (PCSP). This will be demonstrated by the signed enrollment form from the Contractor included as Exhibit N and made a part hereof by this reference. The Contractor will ensure that all provisions related to the PCSP program are implemented for the duration of this agreement.

The Contractor shall, at a minimum, certify the following:

- a. All employees of the contract agency, with the exception of certain relative providers, are qualified to provide the care authorized.

Relatives are excluded from PCSP funding. Relatives for this purpose are defined as either parents of a minor child or spouse.

- b. All claims submitted by the County for services to recipients of the Personal Care Services Program and provided by the contract agency will be provided as authorized for the recipient.
 - c. That payment of these claims will be from Federal and/or State and/or County funds; that any false statement, claim, or concealment of information may be prosecuted under Federal and/or State laws; and
 - d. That services will be offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, sexual orientation, age, or physical or mental disability.
31. Supervisor makes recipient contact within ten working days (except for provision of emergency services as referenced in Section III.D.32) of the Contractor's receipt of the County service authorization document. A copy of a home evaluation document shall be completed by the Contractor and sent to the Authority within five working days following the initial recipient contact. This document shall include, but not be limited to the following:
- a. Date authorization was received;
 - b. Beginning date of service;
 - c. Proposed service delivery schedule;
 - d. Any problems associated with service delivery;
 - e. Any other recommendation(s) indicated by the Authority.

Failure to meet requirements of this section may result in liquidated damages being assessed (See Sections IV.D.1.f.,j.).

32. Commence services in a timely manner. Unless otherwise stated herein, timely shall mean ten (10) calendar days from receipt of Authority authorization documentation for non-emergency services and within 24-hours for emergency services as determined by the County. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.b.).
33. At Authority's or County's request, provider services shall be available seven (7) days a week.
34. Provide toll free telephone service 24 hours per day, seven days a week to recipients/providers in order for them to communicate with the Contractor regarding the IHSS Program. This service will be installed within one

month of the commencement date of this Contract. The Contractor will assure that recipients/providers are aware of this service and the number to access the service.

35. Provide documentation of a safety program which would keep down Worker's Compensation cost, and report all injuries and Worker Compensation claims to the Authority within ten (10) days of the injury and/or Worker Compensation claim. Failure to meet requirements of this section may result in liquidated damages being assessed (See Section IV.D.1.f.).
36. Provide contract services for the high risk special client population groups specified in the proponent's response to a Request For Proposal (RFP) Section VII. R., including persons with AIDS, persons at risk of abuse, neglect and exploitation, persons who are unable to hire/supervise their own workers, and persons who reside in remote areas of the County where other support services are inaccessible or unavailable.
37. Give full cooperation in any monitoring or any auditing conducted by governmental entities or their agents; and Contractor shall comply with all financial and compliance audits as specified in MPP 23-640 and as Authority deems necessary.
38. Contractor agrees their financial records shall contain itemized records of all costs related to this contract and be available for inspection in the County within three working days of the request by the Authority, County, State or Federal Agencies.
39. Comply with the caveats and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contracts Code 10115.10.

NOTE: In accordance with OMB Circular A-87 et seq., OMB Circular A-110 et seq., OMB Circular A-133 et seq. (not-for-profit agencies) or OMB Circular A-128, Public Law 98-502, "Single Audit Act" (for profit agencies), a financial and/or compliance audit may be conducted in any area of this contract that the County, State or Federal Agencies deem necessary.

IV. FISCAL PROVISIONS

A. Cost/Rates

1. The maximum payable under this Contract for each of the three contract years shall not exceed \$2,626,260. This amount will purchase a maximum of 182,000 service hours per year at a fixed rate of \$14.43 per hour.

Authority's financial obligation under this Contract shall not exceed \$7,878,780

Pursuant to WIC Section 12302.1, this is a three-year contract.

2. This is a fixed rate cost contract. The rates are supported by the Contract Budget and Budget Narrative Exhibit A, which is attached and incorporated by this reference and made part hereof.
3. Contractor agrees that the hourly rate to be charged to the Authority for contracted services and the total cost of furnishing these services for the term of this Contract includes all allowable Contractor costs, both indirect and direct, relative to this Contract.
4. Costs must conform with federal costs regulations: Specialized Circular A-87. A guide for State and Local Government Agencies, 48 CFR, Chapter 1, Part 31, Subpart 31.2 (for profit agencies), and Specialized Circular A-122 (for non-profit agencies). All equipment purchased by the Contractor must be depreciated in accordance with 45 CFR 95.705.
5. Payment for all services provided in accordance with provisions under this Contract shall be contingent upon the availability of Federal, State and County funds for the purpose of providing IHSS. The Authority shall not be required to purchase any definite amount of services nor does the Authority guarantee to Contractor any minimum amount of funds or hours.
6. If the Legislature and/or the County Board of Supervisors allocates additional funds for provider wages and benefits during the contract year, the contract may be amended to increase the contract hourly rate, contract maximum amount payable and change affected clauses to allow for increases in wages and benefits consistent with the funding authorized by the Legislature and/or the County Board of Supervisors.
7. Contractor agrees maximum payments for Non-severely Impaired (NSI) and Severely Impaired (SI) recipients are the amounts authorized by the State. The County will notify the Contractor of any changes in these amounts.
8. The County agrees to authorize a minimum number of hours each contract year over the three-year period of this agreement. The minimum number of hours authorized by the County over the contract year shall be:
 - a. For the period of July 1, 2001 through June 30, 2002, the County will authorize no less than 72,600 hours at the current billing rate.
 - b. For the period of July 1, 2002 through June 30, 2003, the County will authorize no less than 75,900 hours at the current billing rate.

- c. For the period of July 1, 2003 through June 30, 2004, the County will authorize no less than 79,200 hours at the current billing rate.
- d. Should the County not meet the minimum required authorized hours for the period of July 1, 2001 through June 30, 2002, the County will agree to reopen negotiations for the remaining two years of this Contract.

B. Billings

1. Contractor billing cycle shall be consistent with a monthly reporting system which is compatible with the Case Management, Information and Payroll System (CMIPS). Contractor shall submit billings to the Authority in a format specified by the Authority within ten calendar days following the end of the month in which services were delivered. Such billings shall include, at a minimum, an itemized listing of recipient names and case numbers, authorized hours, and actual service hours rendered. The Authority will review the billings and make payment within 45 days following the month in question, as specified in Section IV.C. Failure to meet the ten calendar days requirement of this section may result in liquidated damages being assessed (See section IV.D.1.f.).
2. No billing or any part thereof shall be paid by the Authority unless the Contractor submits a certified sworn statement under the penalty of perjury that all employees' wages have been paid on a current basis; that all time sheets supporting said billing have been verified as properly signed, dated, and totaled; and each time sheet will be kept in the Contractor's possession for audit purposes.
3. Contractor must deduct all share of cost liabilities owed by clients when submitting monthly billings for services to the Authority (See share of cost Item IV.E.).
4. Contractor will not be reimbursed for billings that cover service periods for more than three prior months of service.

C. Payments

1. If the conditions set forth in this Contract are met, the Authority shall pay, on or before the 45th day of each month of the filing of the billings, the sum of money claimed by the approved billings (less the share-of-cost liability and any credit due the Authority for adjustments of prior billings). If the conditions are not met in a timely manner, the Authority shall pay when the necessary processing is completed.
2. The Authority will not pay for unauthorized services rendered by the Contractor nor for the claimed services which Authority monitoring shows have not been provided as authorized.

3. The Authority retains the right to withhold payment on disputed claims.
4. Final payment under this contract may be held until the termination audit is completed.

D. Liquidated Damages

1. The Authority intends that the Contractor comply fully with all contractual requirements. Contractor and Authority agree that it would be impractical and extremely difficult to fix the actual damages in the event Contractor does not fully comply in the areas listed in this section and that the amount set forth in each area listed in this section shall be presumed to be the amount of damages sustained by Authority for Contractor's non-compliance with the requirements in such area. Upon non-compliance with Contract requirements listed below, the Authority and Contractor agree on the following liquidated damages:
 - a. With respect to recipients with established service schedules, for each calendar day any scheduled homemaker services are not provided to a recipient:
\$200 per day/per recipient
 - b. With respect to new referrals for service, for each calendar day beyond the tenth calendar day after Contractor is notified of new recipient that service is not provided (24-hours on emergency cases):

Non-emergency cases: \$250.00 Emergency cases: \$400.00
per day/per recipient per day/per recipient
 - c. For each day beyond the due date in which required supervisor or provider training is not completed within time frames set forth in the Contract:
\$250.00 per day
 - d. For each instance in which Contractor fails to comply fully with all required record maintenance including erroneous information reported to the Authority:
\$200.00 per instance
 - e. For each instance in which the Contractor fails to provide the minimum supervisor to staff ratio as outlined in this agreement:
\$175.00 per day/per supervisor
 - f. For each calendar day beyond the due date in which contractor fails to submit the required nonreceipt of scheduled services report,

required monthly reports, quarterly reports, specified billings, or other requested records/information in a timely manner:

\$150.00 per item/per day

- g. For each instance in which a month's delivered services are less than 90% of the monthly hours authorized:
\$500.00 per month/per recipient
 - h. For each instance where a recipient in need of paramedical service is receiving services from a provider who has not been properly trained to perform the authorized services:
\$500.00 per instance
 - i. For each instance Contractor fails to cooperate fully during the transition process of one contractor to another contractor or to any other mode of service:
\$200.00 per instance
 - j. For each instance in which supervisors fail to perform 10% of their scheduled hours for each month performing monitoring activities in recipient's home; or fail to perform the required initial home visit within required time frame; or fail to submit required initial home visit report to the Authority; or when subsequent home visits are not performed each three months:
\$250.00 per instance
 - k. For each instance where a recipient is not provided services as scheduled:
\$250.00 per day/per recipient
2. The Authority Contract Liaison shall advise the Contractor in writing of his/her intent to assess liquidated damages not less than ten (10) calendar days prior to actual withholding of such amounts from any payment. Notice to the Contractor shall contain specific instances or causes for assessing the amount, including the dates thereof. Amounts assessed shall be withheld from the next payment of claim submitted under the Contract or from the final claim for payment submitted under the Contract. Should the Contractor disagree with the Authority's action the Contractor may appeal specific assessed liquidated damages for non-compliance items identified by the Authority. Such appeal must set forth, in writing, detail of all facts and matters, including records where appropriate which Contractor believes will justify a resolution to the specific case where liquidated damages had been assessed.
3. Any appeal regarding a dispute on liquidated damages will be resolved by the Authority appointed arbitrator. This decision shall be in writing and final.

E. Share of Cost

1. Contractor agrees that no charges will be made to any recipient of services under this Contract unless it has been determined by the County that recipient has a share-of-cost liability.
2. In those cases where the recipient is liable for a share of cost, the Contractor shall be responsible for collection of that share-of-cost liability from the recipient and must deduct all share-of-cost amounts owed by recipients from the billings submitted to the Authority.
3. The Contractor agrees to refund any over-collection when a recipient does not realize all the authorized hours covered by the share of cost.
4. Contractor agrees to report delinquent share of cost accounts on a monthly basis.

F. General Accountability

1. In the event of an audit exception or exceptions, the party responsible for not meeting the program requirement(s) shall be responsible for the deficiency.
2. In the event of any State hearing award or lawsuit award resulting from the Contractor's failure to perform as required by this Contract, reimbursement shall be made to the damaged party by the Contractor.
3. Additional costs to the Authority for maintaining any portion of the IHSS Program as a result of the Contractor's failure to perform, as required by the contract, are subject to recoupment by the Authority through withholding from billings or any other form of legal action. Notwithstanding any specific liquidated damages defined elsewhere in this Contract, Contractor's failure to perform as required in any provision of this contract shall weigh negatively against the "responsible" factor inherent in any future procurement process statewide.

G. Termination

This contract may be terminated under the following conditions:

1. Failure or refusal of Contractor to perform or do any act herein required shall constitute a default. In the event of any default, in addition to any other remedy available to the Authority, this Contract may be terminated by the Authority immediately upon written notice and/or services may be purchased from any source by the Authority. If a greater price than that named in this Contract is paid for such services, the excess price will be charged to and collected from the Contractor and sureties on his bond, and

in addition thereto any other damages proximately resulting from said default may be recovered.

2. This Contract may be terminated by the Authority without cause when a 30 day written notice is provided to the Contractor.
3. This Contract may be terminated by the Contractor without cause when a 60 day written notice is provided to the Authority.
4. Notwithstanding any other provisions of this Contract the Authority may terminate the contract immediately:
 - a. Upon receipt of evidence of probable contract-provider mistreatment or abuse of recipients of IHSS services, or of unsafe or hazardous practices in the provision of service; or,
 - b. Upon loss of any license(s) required for lawful operation of Contractor's business; or
 - c. Upon an unauthorized decrease in the required insurance in force; or,
 - d. Upon failure of Contractor to provide authorized services for which reported liquidated damages have been assessed; or
 - e. Upon failure to make payroll payments; or,
 - f. Upon failure to remit payroll deductions in a timely manner to the appropriate State and Federal government; or,
 - g. Upon failure to substantially meet other financial obligations; or,
 - h. Upon service of a writ of attachment by creditors of Contractor.
5. In the event that the Contractor determines that this Contract becomes economically unfeasible under the fiscal provisions specified in Section IV, A, the Contractor shall notify the County of such determination.

The parties will have the following options after such a determination:

- a. The Contractor may, at its option, provide the County with notice of not less than 60 days, that the Contractor will cease operations under this agreement and that all duties, responsibilities and obligations to provide service will cease on a date certain; and
- b. The Contractor will cooperate fully with transitioning all recipients to alternative service delivery modalities deemed appropriate by the County; and

- c. The County and the Contractor may revise Section IV, A of this agreement by mutual consent.
- d. The Contractor's action under this section shall not be deemed a "termination" as that term applies to any other section of this agreement, for the purposes of this Contract or the procurement of any future contracts at any future time.

H. Monitoring/Audit Provisions

1. Monitoring by the Authority may be accomplished by, but not limited to, the following means: field reviews, compliance audits, financial audits, review of Contractor reports, billings, monthly review of records, etc.
2. In accordance with the Federal Government Auditing Standards, OMB Circular A-87 et seq., OMB Circular A-110 et seq. and OMB Circular A-128 et seq., Public Law 98-502 "Single Audit Act" and OMB Circular A-133 et seq. as applicable, authorized representatives of the Authority, County, State and Federal Governments shall have the right to audit all aspects of the Contract including, but not limited to, all financial records, accounts and documents, the provider wages and benefits, the budget line item and the budget narrative and any other aspect of the Contract the Authority, County, State or Federal Agencies deem necessary.
3. The right to audit includes that of the Authority, County, State and Federal Agencies to examine and audit this Contract and all audit working papers, for a period of three years after the final payment.
4. The Contractor agrees their financial records shall contain itemized records of all costs related to this Contract and be available for inspection in the County within three working days of the request by the Authority, County, State or Federal Agencies.
5. The Contractor shall give full cooperation in any monitoring or auditing conducted by the Authority, or governmental entities or their agents.
6. The Contractor shall provide to the Authority a financial audit of the Contract that meets the requirements of the Federal Government Audit Standards, OMB Circular A-87 et seq., OMB Circular A-110 et seq. and OMB Circular A-128 et seq., Public Law 98-502 "Single Audit Act" and OMB Circular A-133 et seq. as applicable.

The audit shall be provided to the Authority within 120 days of completion of the Contract; or in the case of a multi-year contract within 120 days of completion of the second year of the contract and within 120 days of completion of the final year of the Contract.

Audits shall be performed by an independent auditor selected by the Contractor and funded through the Contract.

7. The Authority shall perform a complete performance/compliance audit following the end of each contract year, and more often if deemed necessary by the Authority. This process will include, but not be limited to, review of billings, financial and program records of the Contractor related to this Contract. An independent public accountant can be appointed by the Authority to assist in this process.
8. Authority shall notify Contractor in writing within thirty (30) calendar days of the discovery of any problems or potential audit exceptions discovered during any monitoring or auditing examination.
9. Record Maintenance:

Contractor agrees to maintain all program, fiscal, statistical and management records locally and make such records available for inspection by Authority, County, State and Federal representatives at all reasonable times. The records to be kept and maintained in connection with this program shall include, but are not limited to, the County's assessment of need, case opening and closing dates, provider time sheets and schedules, billing invoices, records and recipient-contractor service related correspondence as well as personnel files that are current, as well as an accurate record of each employee's employment history. The personnel files should also include the Child/Elder Abuse Reporting Agreement and Oath of Confidentiality forms included in Exhibit Q of this document. As a part of such records, the time spent at each visit to the recipient shall be recorded and documented by signature or initial of the recipient or recipient representative on a report service format approved by the Authority. Contractor may be assessed liquidated damages in the case of any delay by Contractor in providing requested records to Authority.

10. Records Retention:

Contractor agrees to maintain all records pertaining to service delivery and fiscal and administrative controls for a minimum of three years after final payment has been made or until all pending Authority, County, State and Federal audits are completed, whichever is later.

Upon request, the Contractor shall make these records available in the County to all authorized Authority, County, State and Federal personnel.

11. Disposal of Records:

Contractor shall ensure that records shall be stored and destroyed in accordance with CDSS MPP Division 23, Section 350.

I. Minimum Standards for Salaries and Benefits

The Contractor shall maintain the following minimum standards with regard to salaries and benefits for all employees:

1. All employees shall receive basic statutory coverage for Federal Insurance Contribution Act (FICA), Worker's Compensation, State Unemployment Insurance (SUI), and Federal Unemployment Tax (FUTA), benefits and State Disability Insurance (SDI) Benefits.
2. All employees shall receive wages and benefits which are no less than required by applicable State and Federal law. The minimum wage in California, effective January 1, 2001, is \$6.25 an hour.
3. The job descriptions, salary levels, step merit increases, related promotional and step merit increase requirements under this contract are as described in Exhibit H and Exhibit I-1 through I-4 attached hereto and made a part hereof. These are the minimum level for salaries and benefits. All wages, salaries and benefits described in Exhibit A, Exhibit H, and Exhibit I-1 through I-4 are certain and definite and not subject to further negotiation between Contractor and any union or other entity.

If for any reason, during the term of this Contract and any extension or renewal thereof, there is a reduction of any wages or benefits for providers, it may result in an adjustment to the per hourly unit rate of return for services. Any such reduction must be reported to the Authority prior to implementation. The Contractor must immediately notify the Authority of the effective date and the amount of such reduction. Any reduction in provider wages and benefits must be reflected in an amendment to this Contract and the Authority shall reduce the reimbursement to the Contractor, in an amount proportionate to the wage and benefit reduction, for services provided and following effective on the date of the wage and benefit reduction provided by the Contractor. Parties hereby agree that this provision is included to protect the integrity of the proposal process. Except as provided in Section V.A.6. of this Contract, in no event will the hourly rate of reimbursement to the Contractor be increased as a result of an increase to the wages and benefits.

J. Availability of Funds

Payment for all services provided in accordance with the provisions of this Contract are contingent upon the availability of County, State and Federal funds for the purposes of providing IHSS. Pursuant to CDSS MPP Division 10, Section 205, the portion of a payment by a County on an IHSS Contract in excess of 110% of the allowable cost of service shall not be eligible for matching or reimbursement from State or Federal funds.

V. GENERAL PROVISIONS

A. Term of Agreement

The term of this Contract shall be from July 1, 2001 through June 30, 2004.

B. Copyright Access

The Authority, County, CDSS, and United States Department of Health and Human Services (DHHS) shall have a royalty free, nonexclusive and irrevocable license to publish, translate, or use, now or hereafter, all material developed under this Contract including those covered by copyright.

C. Totality of Contract

This Contract contains all the terms and conditions agreed upon by the Authority and Contractor and no other understanding, oral or otherwise, regarding this Contract shall be deemed to exist or to bind any of the parties to this Contract.

D. Alterations, Modifications

Any alterations, variations, modifications or waivers of provisions of this Contract shall be valid only when reduced to writing, duly signed and attached to the original of this Contract, with prior written approval from the Authority.

E. Contract Transition Process

The Contractor agrees to provide all information deemed necessary by the Authority for use in subsequent bidding cycles.

1. When terminating this Contract, for any reason, the existing Contractor shall assist the Authority in the orderly transfer of the In-Home Supportive Services (IHSS) Program to a successor contractor or other mode of delivery;
2. The Contractor shall provide to the Authority all information requested by the Authority that is necessary to facilitate a subsequent bidding process;
3. Contractor shall provide to the Authority, without additional cost to the Authority and at least 45 days prior to expiration or termination of this Contract, copies of all recipient files, all provider and supervisor employment data, and any other information reasonably necessary to effect a smooth transition. Payment of the Contractor's final billing will be withheld until such materials are provided.
4. Contractor shall be liable to the Authority for any costs incurred by the Authority because of Contractor's failure to cooperate in the transition

process. Recoupment of costs may be through withholding payment of Contractor's final billing.

Failure to cooperate fully during the transition process of one contractor to another contractor or any other mode of service may result in liquidated damages being assessed (See Section IV.D.1.i.).

F. Laws Governing Contract

This Contract shall be governed and construed in accordance with all of the laws of the County of San Mateo, State of California and the Federal Code of Regulations, in addition to any other laws cited herein.

G. Licensing and Accreditation

Contractor agrees to comply with all applicable State licensing standards, all applicable accrediting standards, and any other standards or criteria established by the State to assure quality of service.

H. Bonding

Contractor shall obtain a fidelity bond in the amount of at least \$250,000 per loss. The bond shall cover all Contractor's employees, officers and agents. Contractor shall provide evidence of the bond before the effective date of this Contract. The bond shall be maintained during the entire term of this Contract. Evidence of bond shall be marked Exhibit K, attached hereto and incorporated by this reference.

I. Insurance:

Contractor shall, prior to commencement of the work, submit a copy of insurance policies evidencing that the Contractor has obtained for the period of the Contract, from a generally recognized responsible insurer, insurance in the following forms of coverage and specified minimum amounts:

1. A policy or certification of self insurance for Worker's Compensation insurance covering all employees of the Contractor.
2. Comprehensive General and Automobile Liability Insurance of:
 - a. \$1,000,000 Bodily Injury - per person and
 - b. \$1,000,000 Bodily Injury - each occurrence and
 - c. \$1,000,000 Property Damage or
 - d. \$1,000,000 Combined single limit bodily injury and property damage.

3. Contractual liability, including coverage for audit exceptions, in the amount of \$1,000,000.

The policies shall include the Authority and County as co-insured and all policies shall provide thirty (30) days written notice to the Authority by certified mail of cancellation or material change of said policies. Any such policies or insurance shall act as primary insurance, and no insurance held or owned by the Authority or County shall be called upon to cover a loss under said policy.

4. The amounts referenced above are specific to the Authority and this contract or is an aggregate amount for this and other contracts. Further, if the amount(s) is/are or does become an aggregate for the Contractor, the Contractor shall execute an agreement with the Insurance Company, and provide evidence of said to the Authority, for the Insurance Company to immediately provide notice to the Authority of any claim that is filed which may reduce the aggregate amount.

The insurance policy shall be marked Exhibit K, attached hereto and incorporated by this reference.

J. Hold Harmless and Indemnification

Contractor or Contractor's employees, agents, and/or representatives shall indemnify and hold harmless, the Authority and County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description (a) brought for, or on account of injuries to or death of any person, including Contractor, or damage to any property of any kind whatsoever and to whomsoever belonging, arising out of Contractor's activities, including but not limited to activities of the employees, agents, and/or representatives of Contractor under this Contract, (b) incurred by Authority or County as a result of Contractor's violation of any duty under this Contract, including but not limited to the acts of employees, agents and/or representatives of Contractor resulting in any actual or proposed disallowance by the State of California to the County's claim for reimbursement, (c) incurred by Authority or County as a result of Contractor's failure to pay and discharge any obligation incurred by contractor, including but not limited to obligations incurred by the employees, agents, and/or representatives of Contractor to third parties in the performance of its duties under this Contract, (d) incurred by Authority or County from any State hearing cash grant award or lawsuit award, (e) by reason of any failure to withhold any/or pay to the government income and/or employment taxes from earnings under this agreement as made necessary by Section 530 of the Revenue Act of 1978, (f) any other loss or cost including but not limited to the concurrent active or passive negligence of Authority or County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this agreement, provided that this shall not apply to injuries or damage for which Authority or County has been found in a court of competent

jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

K. Independence of Contractor

Contractor is, for all purposes arising out of this Contract, an Independent Contractor and shall not be deemed an employee of the Authority.

L. Medical Health Consultation Expenses

Contractor shall not pay for any medical or health related consultation expenses except as necessary for orientation/training of providers under this Contract.

M. State Energy Conservation Plan

Contractor agrees to recognize the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan, Title 23, California Code of Regulations, as required by the U.S. Energy, Policy and Conservation Act (P.L. 94-165).

N. Clean Air/Clean Water Acts

Pursuant to 45 CFR, Part 74, Appendix G, Section 14 I. a Contractor agrees to comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S. Code 1368, Executive Order 11738) and Environmental Protection Agency (EPA) Regulations (40 CFR, Part 15). Under these laws and regulations the Contractor assures that:

1. No facility to be utilized in the performance of a proposed grant has been listed on the EPA list of violating facilities.
2. It will notify the Authority prior to award, of the receipt of any communications from the Director, Office of Federal Activities, U.S. EPA, indicating that a facility to be utilized for the grant is under consideration to be listed on the EPA list of violating facilities;
3. It will notify the Authority and the U.S. EPA about any known violation of the above laws and regulations;
4. It will substantially include this assurance in every nonexempt subgrant, contract or subcontract.

O. Release of Information

The Contractor shall obtain written consent from the Authority prior to the release of any informational pamphlets or notices to recipients regarding the IHSS program. For informational purposes, copies of newspaper recruitment advertising shall be submitted to the Authority.

P Worker Adjustment and Retraining Notification Act (WARN):

The Contractor agrees to and hereby does assume all responsibility for compliance with the provisions of the WARN Act 29 U.S.C. Section 2101, et seq. Furthermore, Contractor will defend, hold harmless and indemnify the Authority, County and State, its officers, employees and agents from and against any liability, claims, actions, costs, damages or losses incurred, arising out of, and/or asserted by virtue of the WARN Act.

Q. Drug Free Workplace Act of 1988

The Contractor agrees to hereby assume all responsibility for complying with the Drug Free Workplace Act of 1988, 45 CFR Part 76, Subpart F. The Contractor hereby certifies that it will provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing a drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Contractor's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug use violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the Contract be given a copy of the statement required by paragraph 1.
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under this contract, the employee will:
 - a. Abide by the terms of the statement; and

- b. Notify the Contractor of any criminal drug statute conviction or violation occurring in the workplace no later than five days after such conviction.
5. Notifying the Authority within ten days after receiving notice under subparagraph 4.b. from an employee or otherwise receiving actual notice of such conviction.
6. Taking one of the following actions, within 30 days of receiving notice under subparagraph 4.b., with respect to any employee who is so convicted:
 - a. Taking appropriate personnel action against such an employee, up to and including termination; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement or other appropriate agency.
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5, and 6 of this section.

R. Americans with Disabilities Act (ADA)

1. The Contractor hereby agrees that it will comply with all applicable sections of the Americans with Disabilities Act (ADA). The Contractor further agrees that it will comply with all applicable sections of the ADA as said sections become effective.
2. It is understood and agreed that the Department of Rehabilitation will have the right to enforce this assurance through all lawful means.

S. Certification Regarding Lobbying

Contractor hereby certifies that:

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

2. If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Contractor shall submit Standard Form LLL, "Disclosure Form to Report Lobbying," marked Exhibit O, attached hereto and incorporated by this reference, in accordance with its instructions.

T. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion

By signing and submitting this Contract, the Contractor certifies to the best of its knowledge and belief that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency:

1. The Contractor further agrees that it will include the above clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion," without modification in all lower-tier transactions and in all solicitations for lower-tier covered transactions;
2. Where the Contractor is unable to certify to any of the above, such Contractor shall attach an explanation to this Contract.

U. Personal Care Program

The Contractor will become the enrolled provider in the Contract mode for the Personal Care Services Program (PCSP). This will occur as soon as the Authority has signed enrollment form marked Exhibit N, attached hereto and incorporated by this reference, from the Contractor in its possession.

V. Minority/Women/Disabled Vet Enterprises Certification, Exhibit P, attached hereto and incorporated by this reference.

W. Articles of Incorporation, Exhibit B, attached hereto and incorporated by this reference.

X. Certified Audited Financial Statement, Exhibit C, attached hereto and incorporated by this reference.

Y. Statement of Experience, Exhibit D, attached hereto and incorporated by this reference.

Z. Organizational Structure, Exhibit E, attached hereto and incorporated by this reference.

AA. Disclosure of Ownership and Control Interest Statement, Exhibit J,

attached hereto and incorporated by this reference.

BB. Subcontracting, Exhibit F, attached hereto and incorporated by this Reference.

IN WITNESS, WHEREOF, this contract has been executed by the parties hereto upon this date first above written.

PUBLIC AUTHORITY OF SAN MATEO

ADDUS HEALTHCARE, INC.

By: _____
President, Public Authority

By: Mark Heaney
Signature

Date: _____

Title: Mark Heaney, COO/VP

Date: June 1, 2001

ATTEST:

By: _____
Clerk of Said Board

Date: _____

COUNTY OF SAN MATEO
AGING AND ADULT SERVICES
MEMORANDUM

CONTRACT APPROVAL FORM

TO: Maria Gonzalez - 573-3495, FAX 573-2193, PONY - AAS 321

FROM: Raymond Swope, County Counsel
Telephone X 4759, Fax 363-4034, Pony CCO 111

SUBJECT: Approval of Agreement, Board Memo and Resolution for:
Addus HealthCare, Inc.

DATE SUBMITTED: May 31, 2001

CONTRACT PERIOD: July 1, 2000 to June 30, 2004

CONTRACT AMOUNT AND FUNDING SOURCE:

\$7,878,780 for 546,000 authorized hours - funds provided by federal, state and county

COUNTY COUNSEL'S OFFICE HAS REVIEWED AND HEREBY APPROVED AS TO
FORM THE AGREEMENT STIPULATED ABOVE.

APPROVED BY:  6/1/01
DEPUTY COUNTY COUNSEL DATE

COUNTY OF SAN MATEO
AGING AND ADULT SERVICES
MEMORANDUM

Number of pages faxed

DATE: March 28, 2001
TO: Priscilla Morse, Risk Manager - X4610, Fax 363-4864, Pony EPS-163
FROM: Maria Gonzalez - 573-3495, FAX 573-2193, PONY - AAS 321
SUBJECT: Contract Insurance Approval

CONTRACTOR NAME: Addus HealthCare, Inc.

DO THEY TRAVEL?: yes

PERCENT OF THE TIME:

NUMBER OF EMPLOYEES:

DUTIES (SPECIFIC): Contractor will provide In-Home Supportive Services to Clients of Aging and Adult Services.

COVERAGE:	Amount	approve	waive	modify
Comprehensive General Liability	\$ 1m	✓	_____	_____
Motor Vehicle Liability	\$ 1m	✓	_____	_____
Professional Liability	\$ 1m	✓	_____	_____
Worker's Compensation	statutory	✓	_____	_____

REMARKS/COMMENTS

SIGNATURE	DATE
<u>Priscilla Morse</u>	<u>5-15-01</u>

JUN-05-2001 14:55

ISSUE DATE (MM/DD/YY)
6/4/01

ACORD CERTIFICATE OF INSURANCE

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

PRODUCER

Aon Risk Services
123 North Wacker Drive
Chicago, IL 60606
312-701-4000

INSURED

Addus Healthcare Inc.
2401 South Plum Grove Road
Palatine, IL 60067

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER **A** Chicago Insurance Company
- COMPANY LETTER **B** Continental Casualty Co.
- COMPANY LETTER **C** American Casualty Ins. Co.
- COMPANY LETTER **D**
- COMPANY LETTER **E**

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 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 EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. OWNER'S & CONTRACTOR'S PROT.	AHC2703298	6/1/01	6/1/02	GENERAL AGGREGATE \$ 3,000,00 PRODUCTS-COMP/OP AGG. \$ 3,000,00 PERSONAL & ADV. INJURY \$ 1,000,00 EACH OCCURRENCE \$ 1,000,00 FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY	BUA247898299	6/1/01	6/1/02	COMBINED SINGLE LIMIT \$ 1,000,00 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM OTHER THAN UMBRELLA FORM	UMS2001382	6/1/01	6/1/02	EACH OCCURRENCE \$ 20,000,00 AGGREGATE \$ 20,000,00
C	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY	WC247845148	6/1/01	6/1/02	<input checked="" type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT \$ 1,000,00 DISEASE-POLICY LIMIT \$ 1,000,00 DISEASE-EACH EMPLOYEE \$ 1,000,00
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

To whom it may concern

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

