

**AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
PROJECT NINETY, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and **Project Ninety, Inc.**, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, on August 1, 2006, under resolution # 068187, the parties entered into a Flat Rate Agreement ("the Original Agreement") for FY 2006-07, to provide Alcohol And Drug Treatment Services; and

WHEREAS, it is now necessary to amend the Original Agreement to provide additional services and add the sum of \$483,526, which includes a Cost of doing Business Increase (COBI), for a new total of \$1,422,412, and to extend the term to 12/31/2007.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. The following Exhibits and Attachments are attached hereto and incorporated by reference herein:
  - Exhibit D: AOD Developmental Contract Amendment is hereby incorporated.
  - Exhibit P: Rates of Payment, is hereby deleted and replaced in its entirety by Exhibit P-1, attached hereto.
  
  - Attachment 3: HIV/AIDS Services, is hereby deleted and replaced in its entirety by Attachment 3-1, attached hereto.
  - Attachment 4: Payment and Monitoring Procedures, is hereby deleted and replaced in its entirety by Attachment 4-1, attached hereto.
  - Attachment 5: Program Specific Requirements, is hereby deleted and replaced in its entirety by Attachment 5-1, attached hereto.
  
  - Attachment 7, Additional Negotiated Net Amount (NNA) Requirements Section 9: Is hereby incorporated:
    9. **Contractor agrees that no part of any federal funds provided under this Contract shall be used by the Contractor or its Subcontractors to pay the salary of an individual at a rate in excess of Level 1 of the Executive Schedule. Salary schedules may be found at <http://www.opm.gov/ca>.**
  
2. The end of the Term date is changed throughout the Agreement as follows:

The end of the term shall change, wherever reflected in the Agreement as

6/30/2007 to the new end term of 12/31/2007.

3. Section 3.A. Payment is hereby amended to read as follows:
  - A. Maximum Amount:  
In full consideration of Contractor's performance of the services described in the Exhibits, the amount that County shall pay for services rendered under this Agreement shall not exceed One Million Four Hundred and Twenty Two Thousand Four Hundred and Twelve Dollars (\$1,422,412) for the contract term.
4. All other terms and conditions of the agreement dated 8/1/2006, between the County and Contractor shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
Rose Jacobs Gibson, President, Board of Supervisors  
San Mateo County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

**Project Ninety, Inc.**

\_\_\_\_\_  
Contractor's Signature

Date: \_\_\_\_\_

**EXHIBIT D - AOD Developmental Contract Amendment**  
**Overview & Deliverables**  
**PROJECT NINETY, INC.**  
**July 1, 2007 through December 31, 2007**

**Background**

Alcohol and Other Drug Services completed Strategic Directions 2010, a three-year strategic plan which was accepted by the San Mateo County Board of Supervisors on November 7, 2006. The Plan's three key strategic directions include: (1) the establishment of priority populations which will receive primary access to services; (2) requires system-wide improvements to the service delivery system in such areas as: co-occurring substance abuse and mental health disorders, cultural responsiveness, service integration and data collection, analysis and reporting; and (3) resource development and community capacity building to ensure sustainability of services and providers within the system.

We recognize that the directions established by the AOD Plan are different from the current service delivery system. To align the current treatment system funded by the County of San Mateo with Strategic Directions 2010, this contract will emphasize a developmental approach to making changes called for in the AOD Plan.

This developmental approach involves the implementation of performance improvement and technical assistance activities, as described in the HSA contract Exhibit C on Outcome Based Management. In addition, this process is intended to provide a framework to assist contractors to make progress in identifying and serving individuals in "special populations", particularly those with co-occurring mental health and substance abuse disorders, as described in Attachment 5 Section 4.C. of contractors current contract.

AOD realizes that Contractor may already be engaged in activities to improve the quality of services for clients. Therefore, as part of this amendment, AOD intends to identify the performance and quality improvement activities and partnerships which are called for in the AOD Plan, to establish a baseline of existing activities.

In addition, the AOD Plan identifies specific populations to receive priority access to service. We realize that the current populations served may be different. Before we are able to determine a percentage of each population for service, we must understand who the treatment system currently serves.

It is with these considerations, that the following deliverables were developed.

Contractors have two options for informing AOD of provider specific deliverables for the below system-wide improvements.

1. Contractor may inform AOD within 10 days of contract negotiations the specific activities chosen to meet the requirements in the amendment. These activities will be included within the contract amendment
2. If Contractor needs more time to identify deliverables, Contractor will inform AOD in writing the specific activities chosen to meet this requirement within 30 days of the execution of this amendment.

**Treatment Provider System-wide Improvement Deliverables**

1. By July 31, 2007, Contractor will attend and participate in at least one AOD performance and quality improvement training.
2. Contractor will participate in a quality improvement partnership with AOD to move towards co-occurring capable service delivery.

- a. Contractor will implement bi-monthly internal workgroups to improve upon its protocols, policies and service delivery to Co-Occurring Disorders individuals. These workgroups will result in: improved individualized orientation practices (discussion of program expectations, medication issues and management, timeframe of activities, coordination of ancillary services).
  - b. Contractor will schedule at least two onsite sessions provided through AOD support to discuss ongoing strategies to treat individuals with COD and implement practical tools to improve services.
  - c. Contractor will participate as a member of the AOD Steering committee.
  - d. Contractor participates as a Change Agent and is attending all of the activities to effect the changes necessary to maintain and enhance COD services.
  - e. Contractor will train its counseling staff system-wide with COD capability training to the extent possible.
3. Contractor will participate in a quality improvement partnership to move towards the priorities identified by the AOD Plan.
    - a. In conjunction with AOD data department contract will improve its data collection system to provide for a richer data base which will serve to measure efficacy, rate of completions, data to support the level of service need. This data will also be utilized to secure additional resources to provide services which are under funded.
    - b. Contractor will maintain its process to interview clients in San Mateo County Jail and assess them for amenability to treatment.
    - c. Contractor monitors its entire counseling staff to ensure that compliance is maintained in regard to State mandated certification. Contractor will continue to create processes which strengthen its in-house training of counseling staff.
    - d. Contractor will continue as a member of the San Mateo County Treatment Providers Coalition. As a member, contractor will meet monthly with the Director of Substance Abuse and Shelter Services to ensure that issues, concerns and progress are addressed.
  4. By June 30, 2007, Contractor will provide its best available data on the percentage of clients served in the 2006 calendar year who fall into each of the four priority populations. AOD and contractor will work together to generate necessary data reports from the DAISY system. Based upon baseline data, AOD and contractor will develop an achievable estimated target percentage of contractor clients for the coming year who will fall into at least one of the four priority populations identified in the AOD Plan.
  5. In order to measure our progress in implementing the priorities of the AOD Plan, Project Ninety shall conduct and complete the COMPASS tool by July 1, 2007 to establish a baseline of progress towards AOD Strategic Plan outcomes, including co-occurring disorder capability for each program. Results of the self-assessment and recommendations for future improvements will be made.
  6. By November 15, 2007 Contractor will develop at least one quality improvement activity related to the assessment noted in item number five.
    - a. Contractor will conduct bi-monthly workgroups that specifically address issues that were identified in the COMPASS. These workgroups include members of contractor's management team, counselors, and intake staff. The process is to identify priorities based on the completion of the COMPASS and design methods to address areas which need improvement.
  7. Contractor will provide AOD with a written assessment report by November 15, 2007 on progress.
  8. AOD will offer access to consultation, technical assistance and training to assist Contractor in making progress in these areas, and encourages Contractor to participate in this assistance as appropriate.

**EXHIBIT P-1 - RATES OF PAYMENT**  
**(Flat Rate Treatment Services Agreement)**  
**Project Ninety, Inc.,**  
**July 1, 2006 through June 30, 2007**

All payments under this Agreement must directly support services specified in this Agreement.

<b>Service Modality</b>	<b>Authorized Contract Amount</b>	<b>Monthly Amount</b>	<b>Authorized Units - Staff Available Hours (SAH) or Bed Days (BD)</b>	<b>Authorized Unit Rate</b>
NNA Funded Residential	\$ 563,270	\$ 46,939.17	8,666	\$ 65.00
County Funded Residential	\$ 167,010	\$ 13,917.50	2,569	\$ 65.00
County Funded Residential - Special Needs	\$ 144,133	\$ 12,011.08	1,441	\$ 100.00
County Funded Treatment Readiness (SAH)	\$ 25,844	\$ 2,153.67	740	\$ 34.92
NNA Funded Residential Adolescent Treatment Readiness (SAH)	\$ 38,629	\$ 3,219.08	1250	\$ 30.90
<b>Total Maximum Contract Obligation</b>	<b>\$ 938,886</b>			

\*Note: This funding is available through 12/31/06 only

\*\* THIS FUNDING IS AVAILABLE FROM 1/1/07 THROUGH 6/30/07

**FUNDING FOR 7/1/2007 THROUGH 12/31/07**

<b>Service Modality</b>	<b>Authorized Contract Amount</b>	<b>Monthly Amount</b>	<b>Authorized Units - Staff Available Hours (SAH) or Bed Days (BD)</b>	<b>Authorized Unit Rate</b>	<b>Program Participants to be served</b>
NNA Funded Residential	\$ 290,084.00	\$ 48,347.34	4,266	\$ 68.00	50
County Funded Residential	\$ 86,010.00	\$ 14,335.03	1,265	\$ 68.00	14
County Funded Residential - Special Needs	\$ 74,228.00	\$ 12,371.42	694	\$ 107.00	7
County Funded Treatment Readiness (SAH)	\$ 13,310.0	\$ 2,218.28	370	\$ 35.97	399
NNA Funded Residential Adolescent Treatment Readiness (SAH)	\$ 19,894.00	\$ 3,315.66	625	\$ 31.83	72
* Contract Obligation for 7/1/07 through 12/31/07	\$ 483,526				
<b># Total Maximum Contract Obligation under this Agreement</b>	<b>\$ 1,422,412</b>				
<i># Subject to the availability of funds as set forth in Paragraph 6 of the body of this Agreement</i>					

**ATTACHMENT 3-1**  
**HIV/AIDS Services**  
**(Flat Rate Treatment Services Agreement)**  
**Project Ninety, Inc.**  
**July 1, 2006 through December 31, 2007**

- I. Contractor will provide the following HIV/AIDS services which are part of all Contractors basic alcohol and drug treatment program(s):
- A. Contractor's staff will attend a minimum of two (2) hours of HIV update training specifically designed for counselors in alcohol and drug recovery programs. This requirement may be met by attendance at the San Mateo County AIDS Program in-service for alcohol and drug treatment staff, or equivalent training approved by the AIDS program monitor. Seventy-five percent (75%) of Contractor's staff will receive this training.
  - B. Contractor will make available to each program participant (and families as appropriate) individual HIV/AIDS education as a recovery issue, risk assessment and prevention education, culturally sensitive informational materials, and necessary knowledge and skills for attitude and behavior change. Contractor must have up-to-date information readily available for participants on HIV testing and counseling, needle exchange programs and written information on HIV/AIDS and Hepatitis A, B, C and Sexually Transmitted Diseases (STD). Contractor must also make access to condoms available to all program participants.
  - C. Contractor will consult with San Mateo County AIDS Program to determine the best way for the AIDS Program, or Contractor's staff trained by the AIDS Program, to deliver HIV/AIDS group education to program participants. HIV/AIDS group education for participants will occur monthly for two (2) hours, with participant attendance expected. Group education will be designed with recovery as a focus, and will include culturally sensitive informational materials, and necessary knowledge and skills for attitude and behavior change.
  - D. Contractor will coordinate with the Alcohol and Drug AIDS program monitor, and San Mateo County AIDS Program to develop a plan for either on-site or easy access to HIV antibody testing including phlebotomy, for program participants through the County AIDS Program HIV testing services. HIV antibody testing and counseling will be conducted according to California State Law including HIV testing/AIDS confidentiality laws, and California State Office of AIDS guidelines by certified HIV counselors.

**ATTACHMENT 4-1**  
**Payment and Monitoring Procedures**  
**(Flat Rate Treatment Services Agreement)**  
**Project Ninety, Inc.**  
**July 1, 2006 through December 31, 2007**

**I. General Provisions**

The payments are intended to compensate Contractor for a combination of factors, the actual units of service provided, and the cost of maintaining its business on a continuous basis. Therefore, subject to the provisions of this Attachment, if Contractor provides fewer units of service than are specified in the Exhibit(s) to the Agreement, the County will compensate Contractor for part of its costs in maintaining its available capacity on a continuous basis. However, in no event will the total payments to Contractor exceed the maximum contract obligation specified in Paragraph 3.A. of the body of this Agreement unless that maximum amount is changed by the execution of a written Amendment.

**II. Performance Required to Receive Full Payment**

A. County will consider Contractor's performance as being acceptable for the purposes of full payment, and Contractor will not be financially penalized for providing fewer units of service than set forth in the Exhibit(s) to this Agreement, (except where noted) unless performance, by modality, is below 90% of the contracted number of units set forth in the Exhibit. The 10% service variance is based upon each modality and is not an overall contract variance.

B. In addition to the units of service, there are also reporting requirements to receive full payment. Reporting requirements for Alcohol and Other Drug Treatment Services are:

1. Submit to County a quarterly report utilizing the Quarterly Report Form developed by Alcohol and Other Drug Services (AODS). The Quarterly Report shall include expenses, revenues and units of service reports outlining expenditures made and describing actual delivery of services provided under the Exhibits. It will also include a narrative report as outlined in the Quarterly Report Form. Reports are due on the following dates for each quarter in fiscal year 2006-07:

- First Quarter: October 23, 2006
- Second Quarter: January 22, 2007
- Third Quarter: April 23, 2007
- Fourth Quarter: July 23, 2007

Reports are due on the following dates for each quarter in fiscal year 2007-08:

- First Quarter: October 22, 2007
- Second Quarter: January 21, 2008

a. If the mid-year report due January 22, 2007 indicates that Contractor has not provided forty-five percent (45%) of the anticipated year-to-date services, County may require Contractor to submit monthly narrative reports describing actual delivery of services provided under the Exhibits for the remainder of the contract term.

**III. County's Responsibilities**

A. A County program liaison will monitor the submission of all correspondence required in this Agreement, including, but not limited to:



1. Quarterly Treatment Reports;
  2. Financial reports such as annual budgets, cost allocation plans, and cost reports;
  3. Incident reports;
  4. Outcome data;
  5. Monthly DATAR Reports
  6. Other requested reports
- B. A County program liaison may visit Contractor during the contract term. The visits shall be for the purpose of reviewing any aspect of Contractor's program operations. The visit may include, but is not limited to:
1. Review all pertinent participant records.
  2. Conduct appropriate interviews/discussions with participants served by Contractor.
  3. Review and monitor all correspondence and reports submitted by Contractor related to Contractor's services provided under this Agreement.
  4. Meet with appropriate program management and operations staff.
  5. Conduct site visit(s) to Contractor's program(s) at least once during the term of the Agreement to review all aspects of program operations. Site visit(s) may include a review of Contractor's programmatic and fiscal documentation related to required reports on services specified in the Exhibits.
    - a. Provide a written site review report documenting areas of compliance and any necessary corrective action(s) required.
  6. A County program liaison may attend an organized activity of a selected component or selected components of Contractor's program(s) at least once during the contract term.
- C. AODS will conduct periodic mandatory treatment provider meetings with representatives of all contracted service providers and appropriate staff.
- D. Provide ongoing technical assistance as needed.
- E. AODS shall act as intermediary on behalf of each contracted alcohol and drug service provider in the submission of the California Outcomes Measurement System (CalOMS) data submissions to the State of California.

#### IV. **Corrective Action Plans**

After six (6) months of the contract term have passed, Contractor shall provide a corrective action plan on January 22, 2007 for quarters in which the quarterly report indicates that the program's performance is less than 90% of the prorated current year-to-date service level. The corrective action plan shall specify the time period during which the service provided was below 90% of contracted services, and shall specify how the Contractor plans to bring performance up to contracted service levels.

#### V. **Payments**

- A. Except where otherwise described herein, County will pay Contractor the total contract amount in monthly payments as described in Exhibit P-1. County will pay Contractor's monthly payment within 30 days, upon timely submission of reports as outlined above.
1. The amount that county shall pay is not to exceed the contracted term amount per paragraph three of the body of the agreement.
- B. In the event Contractor is not in compliance with the performance standards set forth in paragraph II above based upon Contractor's six month performance data

as of December 31, 2006 County will withhold an amount sufficient to recover the projected performance shortfall, per modality, for the remainder of the contract term. The total amount to be withheld will be divided equally over the remaining months of the term of the Agreement.

1. Any outstanding payment issues will be reconciled at year-end settlement as set forth in this attachment subject to section VI below.
  2. However, if, based on Contractor's performance, the County determines that Contractor will be unable to meet the performance standards set forth in paragraph 2 above during the term of this Agreement, County may request that Contractor agree to an Amendment of this Agreement to reduce the units of service, and Contractor's consent will not be unreasonably withheld. In the event of said Amendment, County may allocate the funds for those units of service to another provider offering the same service.
- C. Any requests for variation, exemption or waiver of the payment procedures set forth in this Attachment must be submitted, in writing, to the County AODS Administrator or designee, who will review the request and make recommendations to the Director of the Human Services Agency, whose decision will be final. Waivers may be requested due to unanticipated circumstances that would cause undue hardship. The Contractor shall provide justification of a compelling need as part of its request.

## **VI. Year End Settlement**

- A. At the conclusion of each year of the term of this Agreement, a year-end settlement and reconciliation will take place as follows:
1. The County's maximum payment to Contractor will be the lesser of the full contract amount or the actual Net Allowable Costs for actual or accrued expenditures made pursuant to the annual budget for contracted services submitted by Contractor for the term of the contract. Actual Net Allowable Costs will be determined by the final/year-end Cost Report.
  2. If Contractor's performance by modality for the year is at or above 90% of the contracted service levels set forth in the Exhibit(s) to this Agreement, County will pay Contractor the difference between the amount it has paid Contractor as of the year-to-date and the lesser of either the contract amount of Contractor's actual Net Allowable Cost for each modality. This payment will be made within thirty (30) days of determination of year-end settlement.
  3. If Contractor's performance by modality for the year is below 90% of the contracted service level, Contractor will reimburse the County the difference between the amount that County has paid Contractor as of the year-to-date and the lesser of Contractor's performance percentage applied against the contract amount or Contractor's actual Net Allowable Cost for each modality. If it is determined that the Contractor has been paid in excess of its actual Net Allowable Costs, Contractor will reimburse County within thirty (30) days of written notification by the County AODS Administrator or designee.

## **VII. Required Fiscal Documentation**

- A. Prior to execution of this Agreement, Contractor will have submitted to County for review and approval an annual budget covering all contracted services under this Agreement.
- B. Contractor will submit to County a final/year-end Cost Report no later than

August 15, 2007 for fiscal year 2006-07 and August 15, 2008 for fiscal year 2007-08.

- C. Contractor's final/year-end Cost Report may serve as Contractor's final budget revision upon approval of the AODS Administrator or designee. Subject to Paragraph 4.B. of the body of this Agreement, Contractor may transfer funds between personnel and operating expenses in the final year-end Cost Report.

**VIII. Withholding Payment for Failure to Submit Reports**

- A. County may withhold all or part of Contractor's monthly payment if Contractor fails to submit timely satisfactorily completed reports during the term of this Agreement or the term(s) of previous Agreements, including but not limited to:
  - 1. Annual budget proposal;
  - 2. Cost allocation plan;
  - 3. California Outcomes Measurement System (CalOMS) client records;
  - 4. Quarterly reports;
  - 5. Final/Year-end Cost Report; and
  - 6. Addiction Severity Index (ASI) at intake and 6-month follow-up after intake (or documented attempts at follow-up).
- B. County will release to Contractor any payments withheld under this section to Contractor when County verifies that Contractor has submitted all required documents.

**IX. Procedures in the Event of Non-renewal of Agreement**

- A. County shall provide Contractor with thirty (30) days notice of its intent not to renew this Agreement or to contract with Contractor for any of the modalities described in the Agreement in the following fiscal year, and County may withhold all or part of Contractor's final payment until:
  - 1. Contractor satisfactorily submits all reports required by this Agreement and until County has reviewed all of these reports, including the final/Year End Cost Report.
  - 2. Federal, state, or county government complete any audit that has been commissioned or is underway and submits the audit report, and County has reviewed said audit report.
  - 3. In the events of audits, set forth above, payment of amounts due and owing under the Agreement on the final invoice shall not be withheld more than one hundred eighty (180) days from notice of termination of the Agreement or from expiration of the term.

**X. Contractor's Risk in Providing Extra Services**

Services provided by Contractor more than thirty (30) days after County has given notice of termination, in excess of County's maximum contractual financial obligation, or in excess of Contractor's contractual responsibility are solely at Contractor's risk and financial responsibility, unless said extra services are specifically authorized in writing by the County and reflected in a duly executed Amendment to this Agreement.

**ATTACHMENT 5-1**  
**Program Specific Requirements**  
**(Flat Rate Treatment Services Agreement)**  
**Project Ninety, Inc.**  
**July 1, 2006 through December 31, 2007**

**I. General Administrative Requirements**

- A. Contractor shall attend periodic mandatory meetings.
- B. Contractor shall acknowledge the San Mateo County Alcohol and Other Drug Services (AODS) and/or the County of San Mateo as a funding source on newly developed promotional materials.
- C. Subcontracting requirements:  
Pursuant to Paragraph 12 of the body of this Agreement, Contractor may subcontract for provision of services described in this Agreement with written approval of the Director of the Human Services Agency or designee. If Contractor subcontracts for any services under this Agreement, Contractor will guarantee that any and all subcontractors have and maintain the same level of insurance coverage required of the Contractor under this Agreement. Contractor and County will be listed as additional insured on all applicable insurance of subcontractor.

**II. Administrative Requirements for Treatment Programs**

- A. Contractor shall maintain alcohol and drug treatment program client records that include the following:
  - 1. Intake form (to include California Outcome Measures System (CalOMS) data elements) ;
  - 2. Signed fee determination;
  - 3. Redetermination of fee every twelve (12) months or when requested by clients (except for residential treatment);
  - 4. Health questionnaire;
  - 5. Social history including employment, and criminal history;
  - 6. Alcohol and drug history;
  - 7. Presenting problem;
  - 8. Completed baseline Addiction Severity Index (ASI), and 6 month follow-up;
  - 9. Recovery/ treatment plan;
  - 10. Progress notes;
  - 11. Closure summary/discharge plan;
  - 12. Documented quarterly quality assurance review by consultant/supervisor;
  - 13. Signed release(s) of information as required;
  - 14. Signed consent to treatment; and
  - 15. Signed confidentiality agreement(s).
- B. Contractor will be in compliance with the DAISY Web-Based Application.
  - 1. Contractor must participate and be in compliance with the Drug and Alcohol DAISY system. DAISY is a centralized web-based application utilized by the County of San Mateo, Human Services Agency, Alcohol and Other Drug Services to manage client and provider information.

Compliance includes achieving minimum hardware and connectivity specifications, attending trainings offered by the County, entering contractor and client data into the DAISY system, and utilizing DAISY to store client information, facilitate referrals, manage contractor waiting lists, and generate reports. The County will provide technical assistance and offer trainings on a regular basis to contracted agencies. Contractor shall ensure their appropriate staff attends the DAISY User Group and other scheduled trainings as appropriate. Contractor shall maintain an ongoing compliance with DAISY.

2. Contractor will fully comply with all applicable laws, regulations and mandates governing Confidentiality of Alcohol and Drug Abuse Patient Records, including but not limited to 42 C.F.R. Part 2, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), 45 C.F.R. pts 160 & 164, and applicable sections of the California Health & Safety Code.
- C. Administer the ASI to all treatment program clients who were not assessed via an ASI within 30 days prior to admission to Contractor's program(s). Submit follow up reports on data collected at 6 month follow-up as directed by the County AODS Administrator or designee.
- D. Make efforts to diversify program revenue sources.
- E. Comply with applicable California Department of Alcohol and Drug Programs certification and/or licensure requirements for Contractor's alcohol and drug treatment program(s).
- F. Individuals will not be refused Contractor's basic alcohol and drug treatment services based on the individual's inability to pay. Contractor's basic alcohol and drug treatment plan will be submitted to, and approved by the County AODS Administrator or designee.
- G. In the event that a participant appeals the manner or amount of his/her fee determination, contractor will abide by the decision of the AODS Administrator or designee. Fee determination shall be based on a fee schedule approved by County.
- H. Effective July 1, 2007 ADP will only accept DATAR Reports submitted electronically via the web. Treatment programs are required to send monthly DATAR information to ADP by the tenth of the following month of service delivery.

### **III. Program Certification**

In performing the services described in the Exhibits, Contractor shall perform the following services and abide by the following provisions:

- A. Program Requirements:
  1. Commence new program services no later than ninety (90) days after initiation of any start-up activities that are funded by County.
  2. Make use of available community resources, including recreational resources.
  3. Operate program(s) during times that provide reasonable accessibility for program participants with hours of operation posted in a conspicuous location.
  4. Perform outreach activities to encourage individuals in need of alcohol and/or other drug services to reach these services.

- B. Underserved Populations Requirements:
1. Work collaboratively with the County to provide treatment services to the following San Mateo County priority population listing:
    - a. Pregnant injection drug users;
    - b. Pregnant substance users;
    - c. Pregnant Intravenous Drug Users (IDU);
    - d. Parenting injection drug users;
    - e. Parenting substance users
    - f. Non-English speaking;
    - g. Hearing impaired;
    - h. Physically impaired;
    - i. Gay/lesbian;
    - j. Elderly (for adult services);
    - k. Pregnant women;
    - l. HIV-positive;
    - m. Persons with a co-occurring disorder; and
    - n. Diverse cultures.
    - o. In any event, contractor will give priority admission to San Mateo County residents.
  2. Work collaboratively with County to ensure that Contractor's program does not deny services based on language ability.
  3. Demonstrate a commitment, in good faith, to recruit and retain program staff who can communicate with and relate to diverse populations.
  4. Assure that Contractor's program staff receives training that addresses the prevention and treatment issues and approaches relevant to the special and/or underserved populations designated in Section III, Paragraph B.
- C. Program participants who fall into the following categories will be considered to have a co-occurring disorder. Contractor will abide by the following definitions and protocol for such individuals:
1. Definition of co-occurring disorder:
    - a. An individual is considered to have a co-occurring disorder if they have both a DSM-IV mental health diagnosis and a DSM-IV substance use disorder diagnosis. These diagnoses, along with assessment of current acuity of symptoms and behavioral management issues, will be considered when determining the appropriate level of care for each client. These individuals may or may not be in prescribed medications.
    - b. Individuals who have a diagnosis of Antisocial Personality Disorder, Mental Retardation, Learning Disorders, Autistic Disorders, Delirium, Dementia or Amnesic and other Cognitive Disorders and Substance Use Disorders, but none of the psychiatric diagnoses noted above, are considered to have a co-occurring disorder for the purposes of this protocol.
- D. Administrative Requirements:
1. Provide statistical information upon reasonable request of County.
- E. Facility Requirements:

1. Maintain wheelchair accessibility to program activities according to governing law, including the Americans With Disabilities Act (ADA), as applicable.
  2. Provide service site(s) that will promote attainment of Contractor's program objectives. Arrange the physical environment to support those activities.
  3. Decrease program costs when possible by procuring items at no cost from County surplus stores and by accepting delivery of such items by County.
- F. Governance and Operational Requirements:
1. Comply with all federal, state, and San Mateo County governmental agencies regulations and requirements including applicable provisions of the County's Combined Negotiated Net Amount and Drug Medi-Cal Contract that are or become effective during the term of the contract that relate to providing publicly funded AODS.
  2. Develop and enforce written policies and procedures, to be maintained in an operations manual available to all staff and volunteers. The operations manual shall be reviewed annually and shall include the following:
    - a. A conflict of interest policy applicable to all of Contractor's program's employees, which includes, but is not limited to, financial conflict of interest.
    - b. Personnel policies that discuss the following:
      - 1) Criteria regarding employment of disabled people, including recovering alcohol and drug abusers, for each position, including the minimum length of recovery required for each position.
        - a) Include criteria regarding the employment of current program participants.
        - b) Include a plan for meeting the state of California counselor certification regulations.
      - 2) Criteria describing the required academic and/or experiential background of Contractor's program's treatment staff in alcohol and drug use and related problems, including recognition of referral criteria such as jaundice, convulsions, and disorientation.
    - c. Program eligibility standards and policies and procedures for admission to and termination from the program.
    - d. Procedures for obtaining medical, psychiatric evaluation, and emergency services.
    - e. Policies for maintaining participant records consistent with state and federal laws. Surrender such records to County should Contractor's program cease operations.
    - f. A statement of participants' rights and the grievance procedure utilized to respond to complaints. The statement and the grievance procedure must be available to program participants.
    - g. A confidentiality policy that complies with all applicable state and federal laws and regulations, including but not limited to the following:

- 1) 42 Code of Federal Regulation (CFR) regulations related to Confidentiality of Alcohol and Drug Abuse Patient Records.
  - 2) Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), 45 CFR pts 160 & 164, and applicable sections of the California Health & Safety Code.
  - 3) California Mandated Blood Testing and Confidentiality to Protect Public Health Act of 1985 and all amendments, regarding AIDS/HIV issues.
  - 4) Health and Safety Code Section 11812(c).
- h. A recovery philosophy by which Contractor will maintain program structure, operation, and staffing.
- 1) Contractor agrees that the use, sale, or distribution of alcohol and illicit drugs will be prohibited on all program premises; and at any event that is sponsored by or on behalf of Contractor's program (unless otherwise agreed upon in writing by the AODS Administrator or designee).
  - 2) Contractor agrees that all materials utilized by Contractor and that all activities conducted by Contractor will not promote the use of alcohol or illicit drugs.
  - 3) Contractor agrees not to accept any donations (including, but not limited to, money, goods, services, promotional materials, entertainment, or use of any goods) from any company or organization whose principal business is the manufacture, sale, distribution, or promotion of alcohol or tobacco, including but not limited to, companies of the alcohol or tobacco industries.
- i. A policy statement on smoking in program facilities and during program activities.
- j. A policy statement on the use of medically-prescribed drugs for dually diagnosed participants or participants who have other medical needs.
- k. A policy statement on prevention of violence in the workplace.
- G. Conflict of Interest Requirements:
1. If Contractor is a nonprofit agency, Contractor will comply with the California Corporations Code on Non-Profit Corporations.
  2. Do not permit any member of Contractor's governing board to have or acquire, directly or indirectly, any personal financial interest in the performance of this Agreement, as by providing goods or services for compensation, or otherwise, without having first disclosed the same to the governing board.
  3. Disclose to County in writing, within fourteen (14) calendar days of the occurrence of any of the following circumstances:
    - a. When any of the following persons or organizations performs for compensation any administrative or operational functions for Contractor with respect to the performance of this contract (including, but not limited to, fiscal accounting or bookkeeping functions).
      - 1) Any member of Contractor's governing board.



- 2) Any person who is related by blood or marriage to a manager or a member of Contractor's governing board.
  - 3) Any organization in which any person who is related by blood or marriage to a manager or member of Contractor's governing board has a substantial personal financial interest.
- b. When Contractor enters into any agreement for the acquisition of goods or services for more consideration that would be paid for equivalent goods or services on the open market.
4. If the AODS Administrator reasonably determines that any activity constitutes a conflict of interest which is detrimental to program participants, program implementation, or program functioning, County may require Contractor to cease said activity.
  5. If Contractor does not cooperate with any of the provisions of Paragraphs 1 through 4 of this Section, County may withhold payment subsequent to Contractor's non-cooperation. County will describe intention to withhold payment with justification in writing to Contractor.

#### **IV. Fiscal Certifications**

In performing the services described in the Exhibits, Contractor shall perform the following services and abide by the following provisions:

- A. In the event that Contractor's program owes money to any County agency for services or goods received specifically pursuant to this Agreement or owes money based on any audit as described in Paragraph V.A.2. hereinbelow, County may, at its option, deduct the amount owed from any payment due to Contractor or that will become due to Contractor under this Agreement.
  1. In the event that Contractor has already received payment for services, Contractor shall promptly refund to County, upon County's request, the amount to be withheld.
  2. In the event that the federal, state, or San Mateo County government performs an audit of Contractor's program provided pursuant to this Agreement, and determines that funds should be withheld from County due to Contractor's performance, Contractor shall be liable to County for the full amount of the funds withheld.
- B. Maintain all financial records, perform all cost allocations, and complete all financial reports according to standard accounting practices, as well as the California Department of Alcohol and Drug Programs' Alcohol Services Reporting System Manual (ASRS) and the Federal Office of Management and Budget's (OMB) Circular No. A-133.
- C. If it is deemed necessary by the AODS Administrator or designee, hire a Certified Public Accountant to perform a fully certified audit of Contractor's program at Contractor's expense.
  1. Contractor will perform audit according to standard accounting practices.
  2. This expense is an allowable cost in Contractor's program budget.
  3. If County reasonably believes that governing board may not have met its fiduciary and/or other contractual responsibilities, the AODS Administrator or designee may reserve the right to develop the use of said audit and to approve the selection of the auditor.

- D. If Contractor receives FIVE HUNDRED THOUSAND DOLLARS (\$500,000) or more in federal funds in a fiscal year, Contractor must have a single audit in accordance with Circular No. A-133. If Contractor is a non-profit organization with only one federal program, the audit can be made for that one program only.
1. Contractors receiving annually an aggregate of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) or more of funds from the County must have a financial audit.
  2. All audits must be conducted in accordance with government Auditing Standards (2003 Revision), prescribed by the U.S. Comptroller General, covering all County programs.
  3. Contractor may conduct an audit either annually or biannually. If Contractor conducts audit biannually, audit must cover a two (2) year period.
  4. Audit reports will identify each County program covered by the audit, including contract amounts and contract periods.
  5. If a funding source has more stringent and specific audit requirements than the audit requirements set forth in Paragraphs D.1 through 3, directly above, those audit requirements shall apply in addition to the audit requirements set forth herein.
  6. Contractor will permit independent auditors to have access to Contractor's records and financial statements as necessary to comply with all applicable audit requirements.
  7. The cost of the audit must be reasonable and is an allowable cost in Contractor's program budget.
  8. Contractor will submit a copy of the audit report to County no later than November 15, 2007, for fiscal year 2006-07 and November 15, 2008, for fiscal year 2007-08. Contractor shall submit a written request for additional time to complete the audit report, subject to County's written approval.
- E. Make no capital equipment purchases not already included in Contractor's approved budget, with contract funds, without prior written approval from the Director of the Human Services Agency or designee.
1. County has the option to retain ownership of capital equipment purchased with contract funds.
- F. Contractor will spend no contract funds on fundraising.

**V. Unusual Incidents Policy**

Contractor shall comply with Title 9, section 10561(b) (1) of the California Code of Regulations, and shall report any unusual incidents occurring in connection with the performance of this Agreement with regards to Contractor's program(s), within twenty-four (24) hours of the incident, as well as a written report to the County AODS Administrator or designee, within seven (7) calendar days of any unusual incident.

- A. Unusual incidents include, but are not limited to the following:
1. Summoning of police/fire/emergency services personnel to the program premises in order to handle disturbances or crimes.
  2. The death by any cause of a person currently receiving services from Contractor's program(s).

3. The death, under unusual circumstances, of any individual who has received services during the past six (6) to twelve (12) months from the agency.
4. Situations arising which would seriously hamper the ability of the agency to deliver its services under this agreement with the County (Including administrative or key staff changes). All administrative and key staff changes should be reported to AODS. Notifications should include new staff's name, address, and qualifications.
5. Serious personal injury.
6. Serious property damage.
7. All cases of communicable diseases reported under section 2502 of title 17 of California Code of Regulation (CCR), shall be reported to the local health officer in addition to AODS.