

**AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
WALDEN HOUSE**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and **Walden House**, 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 15, 2006, under resolution # 068222, the parties entered into a Fee For Service Agreement; and

WHEREAS, the parties wish to amend the Agreement to add additional services; and increase the amount of funding for the following services: 1) Drug Court Partnership Grant (DCP) by \$44,968, for a total of \$132,284; 2) Comprehensive Drug Court Implementation Grant (CDCI) by \$152,326, for a total of \$291,131; for a combined total increase of \$197,294, for the first half of FY 2007-08; for a new total obligation of \$423,415; 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 A: Description of Services - Drug Court Funded Alcohol and Drug Treatment Services and Rates of Payment is hereby deleted and replaced in its entirety by Exhibit A-1, attached hereto.

Attachment 3: HIV/AIDS Services is hereby deleted and replaced in its entirety by Attachment 3-1.

Attachment 4: Payment and Monitoring Procedures is hereby deleted and replaced in its entirety by Attachment 4-1.

Attachment 5: Program Specific Requirements is hereby deleted and replaced in its entirety by Attachment 5-1.

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 6/30/07 to the new end term of 12/31/2007.
3. Section 3. Payment, Paragraph A. 1 and 2, are hereby amended to read as follows:

1. One Hundred and Thirty Two Thousand Two Hundred and Eighty Four Dollars (\$132,284) for Drug Court Partnership Trial Track funded alcohol and drug treatment services described in Exhibit A-1 for the Contract term.
  2. Two Hundred and Ninety One Thousand One Hundred and Thirty One Dollars (\$291,131) for Comprehensive Drug Court Implementation funded alcohol and drug treatment services described in Exhibit A-1 for the Contract term.
4. All other terms and conditions of the agreement dated 8/15/2006, 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

**Walden House**

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

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

**EXHIBIT A-1 - DESCRIPTION OF SERVICES**  
**DRUG COURT FUNDED ALCOHOL AND DRUG TREATMENT SERVICES**  
**AND RATES OF PAYMENT**  
**(Fee For Service Agreement)**  
**WALDEN HOUSE**  
**July 1, 2007 through December 31, 2007**

Contractor will provide the following Drug Court alcohol and drug treatment services at mutually agreed upon location(s) in San Mateo County. Contractor's Drug Court alcohol and drug treatment services must be consistent with the State Alcohol and Drug Program (ADP) Certification Standards, and must meet the standards outlined in the American Society of Addiction Medicine (ASAM) Patient Placement Criteria for the Treatment of Substance-Related Disorders. Contractor will possess and maintain the appropriate licensure and/or certification required to provide the services described below. Contractor will admit individuals, hereinafter referred to as "program participants" who are referred by San Mateo County Drug Court Teams to these services. Referrals will come from the Alcohol and Drug Services Case Manager Team and may originate from either North County or South County Drug Courts. Reimbursement will not be approved for any individual treated who was not part of this formal referral process.

**I. COMPREHENSIVE DRUG COURT IMPLEMENTATION (CDCI) GRANT AND DRUG COURT PARTNERSHIP (DCP) GRANT FUNDED ALCOHOL AND DRUG TREATMENT SERVICES**

CDCI Drug Court services are funded through a State Department of Alcohol and Drug Programs grant designated specifically to serve individuals who are in the Drug Court system (pre-plea and post-plea), and are referred to alcohol and drug treatment services by the Drug Court Team.

DCP Drug Court services are funded through a Drug Court Partnership grant designated to specifically serve individuals who are in the Drug Court system (post-plea), have plead guilty to a felony offense, and are referred to alcohol and drug treatment services by the Drug Court Team.

Contractor will provide the following services in accordance with the Comprehensive Drug Court Implementation Act of 2004 and the Drug Court Partnership Act of 2002:

**A. Residential Alcohol and Drug Treatment Services**

Contractor's residential services will include:

1. Intake, assessment (using the Addiction Severity Index [ASI]), food, shelter and other basic needs, treatment planning, relapse prevention, Case Manager, aftercare planning, follow-up for each program participant at six (6) months after intake, and follow-up with Probation/Parole as required.
2. A structured program including group and individual counseling to address recovery issues including: denial, withdrawal symptomatology, drug/alcohol use history, the disease of addiction and relapse triggers, and parenting skills, art therapy, and family socialization activities.

3. Access to ancillary support services may include: legal support, 12-step meetings, HIV/AIDS, HEP A.B.C, AND STD testing and education, literacy assistance and supportive educational training, job search, and medical/mental health assessments to those program participants identified as having special needs.
4. Provide services under this contract for a period of no more than ninety (90) days. Provision of services beyond ninety (90) days requires prior written authorization by the Drug Court Team.

## **II. DRUG COURT REFERRAL AND REIMBURSEMENT PROVISIONS**

- A. Contractor will be reimbursed only for the actual services provided to Drug Court program participants who are referred with a written referral and the Addiction Severity Index (ASI) completed by an Alcohol and Drug Services Case Manager (in conjunction with the Drug Court Team) and by order of the court. Program participants may also be referred directly from the Superior Court by an order of the court or under the direction of the participants' supervising probation officer, with notification to Alcohol and Drug Services.
- B. Reimbursements will not be approved for any program participant treated who was not part of this formal referral process, as evident by the referral form which must be signed by an Alcohol and Drug Case Manager and have the transferred ASI, or by a copy of the conditions of probation that includes an order by the court to a specified treatment program, or a copy of a memo signed by the supervising probation officer directing the program participant to attend a specified program.
- C. Reimbursements will not be approved retroactively (i.e. program participant admitted before a written referral/approval and ASI). If a Drug Court program participant needs to be transferred during the course of their care to a different program due to clinical reasons, the treating provider must submit a transfer request to the Alcohol and Drug Services Case Manager who will approve or disapprove the transfer of the program participant. At the discretion of the Alcohol and Drug Services Case Manager the program participant may need to be reassessed by the Alcohol and Drug Case Manager.
- D. Program participants requesting a transfer to another treatment program must make a written request to the Drug Court Team. The final determination will reside with the Drug Court Judge.
- E. All payments under this Agreement must directly support services specified herein.

## **III. DRUG COURT ALCOHOL AND DRUG TREATMENT SERVICES PAYMENT RATES**

In full consideration of Drug Court funded alcohol and drug treatment services provided to individuals referred by the County, who lack the necessary resources to pay for all, or part, of these services themselves, the aggregate amount County shall

be obligated to pay for services rendered under this Agreement and all other Agreements approved collectively by a single resolution, shall not exceed the amounts stated in Section 3. Payments - A. Maximum Amount, in the main body of this Agreement.

- A. From these funds County shall pay Contractor at the rate of:
  - 1. \$77.67 per bed day provided, per individual served, for CDCI and DCP funded residential treatment services including food, shelter and other basic needs.
  
- B. Provide attendance reports to the Drug Court Team Case Management Specialist, on at least a monthly basis. Provide monthly progress update to probation officer, regarding progress of Drug Court program participants. Notify Probation Officer and Drug Court Case Manager immediately if program participant misses a session or is discharged from the program.
  
- C. A separate billing and record keeping system will be kept by Contractor for those individuals receiving CDCI and DCP funded Nonresidential alcohol and drug treatment services.
  
- D. Contractor's monthly itemized bill will include the following:
  - 1. Drug and Alcohol Information System for You (DAISY) ID numbers and name of program participants receiving Drug Court funded alcohol and drug treatment services, name of the referring Drug Court team member, and funding source (CDCI or DCP).
  
  - 2. Dates services were provided, broken down by program participant, and funding source (CDCI or DCP)
  
  - 3. Total amount of the bill for each month, for each funding source (CDCI or DCP).
  
  - 4. Number of bed days provided for residential treatment services.
  
  - 5. Contractor will submit itemized bill and invoice by the tenth (10) day of the month following the month services were provided. Bills and invoices will be submitted to the Alcohol and Drug Services office for approval and processing for payment.

**ATTACHMENT 3-1**  
**HIV/AIDS Services**  
**(Fee For Service Agreements)**  
**WALDEN HOUSE**

**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**  
**(Fee For Service Agreement)**  
**WALDEN HOUSE**  
**July 1, 2006 through December 31, 2007**

**I. Final Settlement Payment**

Final settlement payment for this Agreement shall be no greater than 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 Agreement. Actual net allowable costs will be determined by the final/year-end Cost Report.

**II. 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.

**III. 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.

**IV. Documentation Required for Payment**

- A. County shall pay Contractor within 30 days of receipt of invoice, provided invoice is accurate and any supporting documentation required for payment of invoice is also accurate.
- B. Invoices and/or supporting documentation that are inaccurate or contain inconsistencies must be corrected by Contractor and a new invoice submitted prior to payment.

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



- A. County shall provide Contractor with 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 180 days from notice of termination of the Agreement or from expiration of the term.

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

Services provided by Contractor more than 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.

**VII. CONTRACTOR'S RESPONSIBILITIES**

A. Reporting Requirements for Alcohol and Drug Treatment Services:

1. Submit to County the monthly units of service report describing actual delivery of services provided under the Exhibits herein. Submit report within ten calendar days after the end of each month.
2. 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.
3. 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 2006/2007:
  - 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

**VIII. 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.

**ATTACHMENT 5-1**  
**Program Specific Requirements**  
**(Fee For Service Agreement)**  
**WALDEN HOUSE**  
**July 1, 2006 through December 31, 2007**

**I. GENERAL ADMINISTRATIVE REQUIREMENTS**

- A. Attend each of the following meetings:
  - 1. Contractor shall attend periodic mandatory meetings; and
  - 2. Drug and Alcohol Information System for You (DAISY) User Group meeting.
  - 3. Other meetings as required by the County
  
- 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:
  - 1. 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 her 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's 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 its web-based DATAR reporting system. 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 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. 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.
- C. Administrative Requirements:
1. Provide statistical information upon reasonable request of County.
- D. 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.
- E. 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 alcohol and drug services.
  2. Develop and enforce written policies and procedures, to be maintained in an operations manual available to all staff and volunteers. Include the following:
    - a. A conflict of interest policy applicable to all of Contractor's program 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.
      - 2) Criteria describing the required academic and/or experiential background of Contractor's program treatment and prevention staff in alcohol and drug

use and related problems, including recognition of referral criteria such as jaundice, convulsions, 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 participant's 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 prevention and 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 Alcohol and Drug Services Administrator).
    - 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 problems.
  - k. A policy statement on prevention of violence in the workplace.
- F. 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 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 IV.A.2. below, 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 Budgets (OMB) Circular Nos. A-133.

- C. If it is deemed necessary by the Alcohol and Drug Services Administrator, 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 the governing board may not have met its fiduciary and/or other contractual responsibilities, the Alcohol and Drug Services Administrator 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 (1994 Revision), prescribed by the U.S. Comptroller General, covering all County programs.
  - 3. Contractor may conduct audit either annually or bi-annually. If Contractor conducts audit biannually, audit must cover a two-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.
  
- 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 Human Services or his or her 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.