

**FIRST AMENDMENT TO THE AGREEMENT  
FOR SERVICES OF  
INDEPENDENT CONTRACTOR**

BETWEEN

COUNTY OF SANTA BARBARA

AND

STALWART CLEAN & SOBER, INC.

FOR

ALCOHOL AND DRUG PROGRAMS

AND

MENTAL HEALTH SERVICES

**FIRST AMENDMENT TO THE AGREEMENT  
FOR SERVICES OF INDEPENDENT CONTRACTOR**

**THIS FIRST AMENDMENT** to the Agreement for Services of Independent Contractor, **BC No. 24-222**, is made by and between the **County of Santa Barbara** (County) and **Stalwart Clean & Sober, Inc.** (Contractor), a California non-profit corporation with a principle address at 1227 San Andres St., Santa Barbara, CA 93101, for the continued provision of services specified herein (hereafter, First Amendment).

**WHEREAS**, Contractor represents that it is specially trained, skilled, experienced, and competent to perform the special services required by County, and County desires to retain the services of Contractor pursuant to the terms, covenants, and conditions referenced herein;

**WHEREAS**, on December 17, 2024, the County Board of Supervisors authorized the County to enter into an Agreement for Services of Independent Contractor with Stalwart Clean & Sober, Inc., referred to as BC #24-222, (hereafter, Agreement) for the provision of Alcohol and Drug-Free Housing and Recovery Residence services, for a maximum contract amount not to exceed **\$919,800**, inclusive of \$328,500 for FY 2024-2025, \$295,650.00 for FY 2025-2026, \$295,650 for FY 2026-2027, for the period of June 30, 2024, through June 30, 2027; and

**WHEREAS**, the parties wish to make certain changes to the Agreement through this First Amendment to update certain standard terms and conditions in compliance with State and federal requirements; to update the Services section to include non-judgmental recovery oriented principles language; to increase the number of beds from eighteen (18) to twenty-two (22); to add provisions as a Behavioral Health Bridge Housing (BHBH) site to the Alcohol and Drug Prevention (ADP) Recovery Residences Services Program (Exhibit A-2); to update program locations, update the name of the Department of State Hospital (DSH) Diversion Program from AB 1810 Diversion Program, and update the resources link for BWell Standards for Sober Living Environments within the Mental Health (MH) Alcohol and Drug Free Housing Program (Exhibit A-3); to update the Program Goals and Measures (Exhibit E) for Recovery Residences Services Program; to add Behavioral Health Bridge Housing (BHBH) Program Grant Funding Requirements (Exhibit F); to add Opioid Settlement Funds (Exhibit G); to add Department of State Hospitals (DSH) Diversion Program Grant Funding Requirements (Exhibit H); and to increase the total maximum contract amount by \$170,050, for a revised total maximum contract amount of **\$1,089,850**, with no change to the contract term of June 30, 2024 through June 30, 2027.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

**I. Delete Section 8, Debarment and Suspension, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**8. DEBARMENT AND SUSPENSION.**

**A.** Contractor certifies to County that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. Contractor certifies that it shall not contract with a subcontractor that is so debarred or suspended.

**B.** Contractor shall also comply with the debarment and suspension provisions set forth in EXHIBIT A-1 General Provisions: ADP to this Agreement.

**II. Delete Section 10, Conflict of Interest, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**10. CONFLICT OF INTEREST.**

**A.** Contractor covenants that Contractor presently has no employment or interest and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by Contractor. Contractor must promptly disclose to County, in writing, any potential conflict of interest. County retains the right to waive a conflict of interest disclosed by Contractor if County determines it to be immaterial, and such waiver is only effective if provided by County to Contractor in writing.

**B.** Contractor shall also comply with the conflict of interest provisions set forth in EXHIBIT A-1 General Provisions: ADP to this Agreement.

**III. Delete Section 11, Ownership of Documents and Intellectual Property, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**11. OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY.**

**A.** County shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, all photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials, and any material necessary for the practical use of such items, from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. Contractor shall not release any of such items to other parties except after prior written approval of County.

**B.** Unless otherwise specified in Exhibit A(s), Contractor hereby assigns to County all copyright, patent, and other intellectual property and proprietary rights to all data, documents, reports, photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials prepared or provided by Contractor pursuant to this Agreement (collectively referred to as "Copyrightable Works and Inventions"). County shall have the unrestricted authority to copy, adapt, perform, display, publish, disclose, distribute, create derivative works from, and otherwise use in whole or in part, any Copyrightable Works and Inventions. Contractor agrees to take such actions and execute and deliver such documents as may be needed to validate, protect and confirm the rights and assignments provided hereunder. Contractor warrants that any Copyrightable Works and Inventions and other items provided under this Agreement will not infringe upon any intellectual property or proprietary rights of any third party. Contractor at its own expense shall defend, indemnify, and hold harmless County against any claim that any Copyrightable Works or Inventions or other items provided by Contractor hereunder infringe upon intellectual or other proprietary rights of a third party, and Contractor shall pay any damages, costs, settlement amounts, and fees (including attorneys' fees) that may

be incurred by County in connection with any such claims. This Ownership of Documents and Intellectual Property provision shall survive expiration or termination of this Agreement.

**IV. Delete Section 14, Records, Audit, and Review, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**14. RECORDS, AUDIT, and REVIEW.**

- A.** Contractor shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Contractor's profession and shall maintain such records for at least four (4) years following the expiration or termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting principles. County shall have the right to audit and review all such documents and records at any time during Contractor's regular business hours or upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), Contractor shall be subject to the examination and audit of the California State Auditor, at the request of County or as part of any audit of County, for a period of three (3) years after final payment under this Agreement. (Gov. Code, § 8546.7.)
- B.** Contractor shall also comply with the records, audit, and review provisions set forth in EXHIBIT A-1 General Provisions: ADP to this Agreement.
- C.** Contractor shall participate in any audit and review, whether by federal, state, or County governments, or their designees, at no charge to the auditing and reviewing entity. If federal, state, or County audit exceptions are made relating to this Agreement, Contractor shall reimburse the amount of the audit exceptions and all costs incurred by federal, state, and/or County governments associated with defending against the audit exceptions or performing any audits or follow-up audits including, but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments, and all other costs of whatever nature. Immediately upon notification from County, Contractor shall reimburse the amount of the audit exceptions and any other related costs directly to County as specified by County in the notification. This Records, Audit, and Review provision shall survive expiration or termination of this Agreement.

**V. Delete Section 16, Nondiscrimination, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**16. NONDISCRIMINATION.**

- A.** County hereby notifies Contractor that County's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and Contractor agrees to comply with said ordinance.
- B.** Contractor shall also comply with the nondiscrimination provisions set forth in EXHIBIT A-1 General Provisions: ADP to this Agreement.

**VI. Delete Section 19, Termination, of the Standards Terms and Conditions of the Agreement, and replace it with the following:**

**19. TEMINATION.**

- A. By County.** County may, by written notice to Contractor, terminate this Agreement in whole or in part at any time, whether for County's convenience, for nonappropriation of funds, or because of the failure of Contractor to fulfill the obligations herein.
1. **For Convenience.** County may terminate this Agreement in whole or in part upon thirty (30) days written notice. During the thirty (30) day period, Contractor shall, as directed by County, wind down and cease its services as quickly and efficiently as reasonably possible, without performing unnecessary services or activities and by minimizing negative effects on County from such winding down and cessation of services.
  2. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or County governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then County will notify Contractor of such occurrence and County may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, County shall have no obligation to make payments with regard to the remainder of the term.
  3. **For Cause.** Should Contractor default in the performance of this Agreement or materially breach any of its provisions, County may, at County's sole option, terminate or suspend this Agreement in whole or in part by written notice. Upon receipt of notice, Contractor shall immediately discontinue all services affected (unless the notice directs otherwise) and notify County as to the status of its performance. The date of termination shall be the date the notice is received by Contractor, unless the notice directs otherwise.
- B. By Contractor.** Should County fail to pay Contractor all or any part of the payment set forth in EXHIBIT B(s), Contractor may, at Contractor's option terminate this Agreement if such failure is not remedied by County within thirty (30) days of written notice to County of such late payment.
- C. Upon Expiration or Termination.** Upon expiration or termination of this Agreement, Contractor shall deliver to County all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers as may have been accumulated or produced by Contractor in performing this Agreement, whether completed or in process, except such items as County may, by written permission, permit Contractor to retain. Notwithstanding any other payment provision of this Agreement, County shall pay Contractor for satisfactory services performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall Contractor be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. Contractor shall furnish to County such financial information as in the judgment of County is necessary to determine the reasonable value of the services rendered by Contractor. In the event of a dispute as to the reasonable value of the services rendered by Contractor, the decision of County shall be final. The foregoing is cumulative and shall not affect any right or remedy which County may have in law or equity.

**VII. Delete Section 26, Entire Agreement and Amendment, of the Standards Terms and Conditions of the Agreement, and replace it with the following:**

**26. ENTIRE AGREEMENT AND AMENDMENT.**

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel. Requests for changes to the terms and conditions of this Agreement after April 1 of the fiscal year for which the change would be applicable shall not be considered. All requests for changes shall be in writing. Changes shall be made by an amendment pursuant to this section. Notwithstanding any other provision of this Agreement, any amendments or modifications that do not materially change the terms of this Agreement (such as changes to the Designated Representative or Contractor’s address for purposes of Notice) or that are authorized by the County of Santa Barbara Board of Supervisors may be approved by the Director of the Department of Behavioral Wellness or designee in writing and shall constitute an amendment or modification of this Agreement upon execution by the Director of the Department of Behavioral Wellness or designee.

**VIII. Delete Section 28, Compliance with Law, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**28. COMPLIANCE WITH LAW.**

Contractor shall, at its sole cost and expense, comply with all federal, state, and local ordinances; statutes; regulations; orders including, but not limited to, executive orders, court orders, and health officer orders; policies; guidance; bulletins; information notices; and letters including, but not limited to, those issued by the California Department of Health Care Services (DHCS) and the Department of State Hospitals (DSH) now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of Contractor in any action or proceeding against Contractor, whether County is a party thereto or not, that Contractor has violated any such ordinance, statute, regulation, order, policy, guidance, bulletin, information notice, and/or letter shall be conclusive of that fact as between Contractor and County.

**IX. Delete Section 34, Compliance with Privacy Laws, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**34. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS.**

- A.** Contractor shall comply with the requirements of 2 Code of Federal Regulations (C.F.R.) parts 200 and 300 and 45 Code of Federal Regulations part 75, which are incorporated herein by reference.
- B.** Contractor shall include these requirements in all subcontracts to perform work under this Agreement.

**X. Delete Section 35, Court Appearances, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**35. MANDATORY DISCLOSURES.**

- A. Contractor must promptly disclose whenever, in connection with this Agreement (including any activities or subcontracts thereunder), it has credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in title 18 of the United States Code (U.S.C.) or a violation of the civil False Claims Act (31 U.S.C. §§ 3729–3733). The disclosure must be made in writing to County, DHCS, the United States Centers for Medicare and Medicaid Services, and the United States Department of Health and Human Services Office of Inspector General. Contractor is also required to report matters related to County, state, or federal agency’s integrity and performance in accordance with Appendix XII of 2 Code of Federal Regulations part 200. Failure to make required disclosures can result in any of the remedies described in 2 Code of Federal Regulations section 200.339 Remedies for noncompliance. (See also 2 C.F.R. part 180, 31 U.S.C. § 3321, and 41 U.S.C. § 2313.)
- B. Contractor shall include these requirements in all subcontracts to perform work under this Agreement.
- C. Contractor shall also comply with the disclosure provisions set forth below in Section 39 (Byrd Anti-Lobbying Amendment) and EXHIBIT A-1 General Provisions: ADP to this Agreement.

**XI. Delete Section 36, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**36. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.**

- A. Contractor is prohibited from obligating or expending loan or grant funds to:
  - 1. Procure or obtain covered telecommunications equipment or services;
  - 2. Extend or renew a contract to procure or obtain covered telecommunications equipment or services; or
  - 3. Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.
- B. As described in section 889 of [Public Law 115-232](#), “covered telecommunications equipment or services” means any of the following:
  - 1. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
  - 2. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
  - 3. Telecommunications or video surveillance services provided by such entities or using such equipment; or
  - 4. Telecommunications or video surveillance equipment or services produced or provided by an entity that the United States Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of

Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

- C. For the purposes of this section, “covered telecommunications equipment or services” also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
- D. In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.
- E. Contractor certifies that it will comply with the prohibition on covered telecommunications equipment and services in this section. Contractor and its subcontractors are not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting grant funding and those provided upon submitting payment requests and financial reports.
- F. For additional information, see section 889 of Public Law 115-232 and 2 Code of Federal Regulations section 200.471.
- G. Contractor shall include these requirements in all subcontracts to perform work under this Agreement.

**XII. Delete Section 37, Mandatory Disclosure, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**37. DOMESTIC PREFERENCES FOR PROCUREMENTS.**

- A. Contractor should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products).
- B. For purposes of this section:
  - 1. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
  - 2. “Manufactured products” means items and construction materials composed in whole or in part of nonferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.
- C. Contractor shall include these requirements in all subcontracts to perform work under this Agreement.

**XIII. Delete Section 38, Procurement of Recovered Materials, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**38. PROCUREMENT RECOVERED MATERIALS.**

- A. Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 as amended, 42 United States Code section 6962. The requirements of section 6002 include procuring only items designated in guidelines of the United States Environmental Protection Agency (EPA) at 40 Code of Federal Regulations part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- B. Contractor should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.
- C. Contractor shall include these requirements in all subcontracts to perform work under this Agreement.

**XIV. Delete Section 39, Domestic Preferences for Procurements, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**39. BYRD ANTI-LOBBYING AMENDMENT.** (Applicable to federally funded agreements in excess of \$100,000.)

**A. Certification and Disclosure Requirements.**

- 1. Contractor must file a certification (in the form set forth in EXHIBIT D, Attachment 1, consisting of one page, entitled “Certification Regarding Lobbying”) that Contractor has not made and will not make any payment prohibited by subsection B (Prohibition) of this Section (Byrd Anti-Lobbying Amendment).
- 2. Contractor must file a disclosure (in the form set forth in EXHIBIT D, Attachment 2, entitled “Standard Form-LLL ‘Disclosure of Lobbying Activities’”) if Contractor has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered federal action) in connection with a contract or grant or any extension or amendment of that contract or grant which would be prohibited under subsection B (Prohibition) of this Section (Byrd Anti-Lobbying Amendment) if paid for with appropriated funds.
- 3. Contractor must file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy of the information contained in any disclosure form previously filed by Contractor under subsection A.2. of this Section (Byrd Anti-Lobbying Amendment). An event that materially affects the accuracy of the information reported includes:

- i. A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
  - ii. A change in the person(s) or individual(s) influencing or attempting to influence a covered federal action; or
  - iii. A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
4. Contractor shall require all lower tier subcontractors to certify and disclose to the next tier above.
5. All disclosure forms shall be forwarded from tier to tier until received by County.

**B. Prohibition.** Section 1352 of title 31 of the United States Code provides in part that no appropriated funds may be expended by the recipient of a federal contract or agreement, grant, loan, or cooperative agreement to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract or agreement, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract or agreement, grant, loan, or cooperative agreement.

**C.** Contractor shall include these requirements in all lower tier subcontracts exceeding \$100,000 to perform work under this Agreement.

**XV. Delete Section 40, Clean Air Act and Federal Water Pollution Control Act, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**40. CLEAN AIR ACT.** (Applicable to federally funded agreements in excess of \$150,000.)

- A.** Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 United States Code section 7401 et seq.
- B.** Contractor agrees to report each violation to the California Environmental Protection Agency (CalEPA) and understands and agrees that CalEPA will, in turn, report each violation as required to assure notification to County, the federal agency which provided funds in support of this Agreement, and the appropriate Environmental Protection Agency Regional Office.
- C.** Contractor shall include these requirements in all subcontracts exceeding \$150,000 to perform work under this Agreement.

**XVI. Delete Section 41, Prohibitions on Certain Telecommunications and Video Surveillance Services or Equipment, of the Standard Terms and Conditions of the Agreement, and replace it with the following:**

**41. FEDERAL WATER POLLUTION CONTROL ACT.** (Applicable to federally funded agreements in excess of \$150,000.)

- A. Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 United States Code section 1251 et seq.
- B. Contractor agrees to report each violation to CalEPA and understands and agrees that CalEPA will, in turn, report each violation as required to assure notification to County, the federal agency which provided funds in support of this Agreement, and the appropriate Environmental Protection Agency Regional Office.
- C. Contractor shall include these requirements in all subcontracts exceeding \$150,000 to perform work under this Agreement.

**XVII. Add Section 42, Business Associate, to the Standard Terms and Conditions of the Agreement as follows:**

**42. BUSINESS ASSOCIATE. (RESERVED)**

**XVIII. Add Section 43, Behavioral Health Bridge Housing Program Grant Funding Requirements, to the Standard Terms and Conditions of the Agreement as follows:**

**43. BEHAVIORAL HEALTH BRIDGE HOUSING PROGRAM GRANT FUNDING REQUIREMENTS.**

Contractor agrees to and shall comply with the Behavioral Health Bridge Housing Program grant funding provisions as set forth in EXHIBIT F Behavioral Health Bridge Housing Program Grant Funding Requirements attached hereto and incorporated herein by reference.

**XIX. Add Section 44, Opioid Settlement Funds, to the Standard Terms and Conditions of the Agreement as follows:**

**44. OPIOID SETTLEMENT FUNDS.**

Contractor agrees to and shall comply with the Opioid Settlement Funds provisions as set forth in EXHIBIT G Opioid Settlement Funds attached hereto and incorporated herein by reference.

**XX. Add Section 45, Department of State Hospitals (DSH) Diversion Program Grant Funding Requirements, of the Standard Terms and Conditions of the Agreement as follows:**

**45. DEPARTMENT OF STATE HOSPITALS (DSH) DIVERSION PROGRAM GRANT FUNDING REQUIREMENTS.**

Contractor agrees to and shall comply with the DSH Diversion Program Grant Funding provisions as set forth in EXHIBIT H Department of State Hospitals (DSH) Diversion Program Grant Funding Requirements attached hereto and incorporated herein by reference.

**XXI. Delete the heading of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace with the following:**

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**EXHIBIT A-1  
GENERAL PROVISIONS - ADP SUBG  
SUBSTANCE USE PREVENTION, TREATMENT AND RECOVERY SERVICES BLOCK  
GRANT (SUBG)**

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**XXII. Delete the introductory paragraph of Exhibit A-1, General Provisions – ADP SUBG, of the Agreement, and replace it with the following:**

The following provisions shall apply to all programs operated under this Agreement, included as Exhibit A-2 through A-3, as though separately set forth in the scope of work specific to each program.

**XXIII. Delete Section 1, Performance, Subsection A, Compliance with County, State and Federal Requirements, of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**1. PERFORMANCE.**

**A. Compliance with County, State and Federal Requirements.** Contractor shall abide by all applicable provisions of the Performance Agreement between the County and the Department of Health Care Services, Agreement Number 21-10112, 21-10112 A1, 21-10112 A2, as may be amended, which is required by Welfare and Institutions Code (Welf. & Inst. Code) sections 5650, subd. (a), 5651, 5897, and California Code of Regulations (Cal. Code Regs.), Title 9, section 3310, sets forth conditions and requirements that County must meet to receive this funding, and is incorporated by this reference.

1. Pursuant to Title 42 United States Code section 300x-1 et seq., the State of California has been awarded the federal Substance Use Prevention, Treatment and Recovery Services Block Grant funds (SUBG) (previously known as Substance Abuse Prevention and Treatment Block Grant (SABG)). County Alcohol and Drug Programs utilize SUBG funding to provide a broad array of alcohol and other drug program treatment and prevention services within their system of care programs.
2. The SUBG is a federal award within the meaning of Title 2 Code of Federal Regulations part 200. The Contractor is a subrecipient and subject to all applicable requirements in Title 2 Code of Federal Regulations part 200, Uniform Guidance, and Title 45 Code of Federal Regulations part 75, including, but not limited to, the County requirement to have a single audit performed for SUBG funds in accordance with the audit requirements in Title 2 Code of Federal Regulations part 200, subpart F, or Title 45 Code of Federal Regulations part 75.
3. Contractor shall abide by all relevant provisions of law governing SUBG including, but not limited to, the Code of Federal Regulations Title 45 Part 96 and Section 1921

of the Public Health Service Act, Title XIX Part B, Subpart II and III. Contractor shall furnish all medically necessary services in an amount, duration, and scope that is no less than the amount, duration, and scope for the same services furnished to beneficiaries under fee-for-service Medicaid, as set forth in 42 C.F.R. Section 440.230.

**XXIV. Delete Section 2, Staff, Subsection C, Overdose Prevention Training, Subsection 2, of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**2. STAFF.**

**C. Overdose Prevention Training.**

2. Make available and distribute prevention overdose materials as provided by Behavioral Wellness.

**XXV. Add Subsection J, Email Domain, to Section 2, Staff, of Exhibit A-1, General Provisions – ADP SUBG, of the Agreement as follows:**

**2. STAFF.**

- J. Email Domain.** Contractor and its staff shall use Contractor’s business email domain to log into the Behavioral Wellness electronic health record.

**XXVI. Delete Section 4, Reports, Subsection A, Staffing Reports; and Subsection D, Additional Reports, Subsection 2, Third Paragraph, of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**4. REPORTS.**

- A. Prevention Programs.** In accepting funds for prevention services from County, Contractor agrees to submit the following reports, to County:

1. Monthly ECCO “Data Reporting System” electronic data. Contractor shall document all project activities in ECCO “Data Reporting System”;
2. Monthly Service Delivery Data. Contractor shall enter all service delivery data documenting all activities into ECCO “Data Reporting System” according to budgeted Center for Substance Abuse Prevention (CSAP) strategy on a minimum of a monthly basis;
3. **Quarterly Reports.** Contractor shall enter all service delivery data documenting all Champion activities into the Contract Review Reporting Template; and
4. Submit Other Data Collected. Contractor shall submit all environmental data collected and survey or focus group results to the ADP evaluator.

**D. Additional Reports.**

2. These provisions contain important protections both for religious organizations that receive SAMHSA funding and for the individuals who receive their services and apply to religious organizations and to State and local governments that provide SUD prevention and treatment services under SUBG.

**XXVII. Delete Section 5, Confidentiality, of Exhibit A-1, General Provisions - ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**5. CONFIDENTIALITY.**

- A. Compliance with Privacy and Data Security Authorities.** Contractor shall, at its sole cost and expense, comply with all applicable federal, state, and local healthcare privacy and data security requirements and authorities including, but not limited to, those authorities specified in this Section (Confidentiality) now in force or which may hereafter be in force and shall develop and maintain comprehensive patient confidentiality policies and procedures, provide annual training of all staff regarding those policies and procedures, and demonstrate reasonable efforts to secure written and/or electronic data.
- B. Maintain Confidentiality.** Contractor agrees, and Contractor agrees to require its employees, agents, or subcontractors to agree, to maintain the confidentiality of patient records and any other health and enrollment information that identifies a particular member pursuant to: Title 42 United States Code (USC) Section 290 dd-2; Title 42 Code of Federal Regulations (C.F.R.), Part 2; 42 C.F.R. Section 438.224; 45 C.F.R. Section 96.132(e), 45 C.F.R. Parts 160, 162, and 164; Title 22 California Code of Regulations (C.C.R.) Section 51009; Welfare & Institutions Code (W&IC) Section 5328 et seq. and Sections 14100.2 and 14184.102; Health and Safety Code (HSC) Sections 11812 and 11845.5; Civil Code Sections 56 – 56.37, 1798.80 – 1798.82, and 1798.85; and Exhibit D, Paragraph 14 of the Integrated Intergovernmental Agreement Number 24-40145 to the extent that these requirements are applicable. Patient records must comply with all appropriate State and Federal requirements.
- C. No Publication of Member Lists.** Contractor shall ensure that no list of persons receiving services under this Agreement is published, disclosed, or used for any purpose except for the direct administration of this program or other uses authorized by law that are not in conflict with requirements for confidentiality contained in the preceding codes.
- D. Member's Health Record.** Contractor shall maintain and share, as appropriate, a member health record in accordance with professional standards. (42 C.F.R. § 438.208(b)(5).) Contractor shall ensure that, in the course of coordinating care, each member's privacy is protected in accordance with this Agreement, all federal and state privacy laws, including but not limited to 45 C.F.R. § 160 and § 164, subparts A and E, to the extent that such provisions are applicable. (42 C.F.R. § 438.208(b)(6).)
- E.** Contractor shall comply with Exhibit F to the Integrated Intergovernmental Agreement to the extent Contractor is provided Personal Health Information (“PHI”), Personal Information (“PI”), or Personally Identifiable Information (“PII”) as defined in Exhibit F of the Integrated Intergovernmental Agreement from County to perform functions, services, or activities specified in this Agreement.
- F.** Contractor shall make itself and any subcontractors, employees or agents assisting Contractor in the performance of its obligations under this Agreement, available to County or DHCS at no cost to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against County, DHCS, its directors, officers or employees based upon claimed violations of privacy involving inactions or actions by Contractor, except where Contractor or its subcontractor, employee or agent is a named adverse party.

Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all PHI, PI and PII accessed in a database maintained by County, received by Contractor from County, or acquired or created by Contractor in connection with performing functions, services, or activities specified in this Agreement on behalf of County that Contractor still maintains in any form, and shall retain no copies of such PHI, PI or PII. If return or destruction is not feasible, Contractor shall notify County of the conditions that make the return or destruction infeasible, and County and Contractor shall determine the terms and conditions under which Contractor may retain the PHI, PI or PII. Contractor shall continue to extend the protections of Exhibit F of the Integrated Intergovernmental Agreement to such PHI, PI and PII, and shall limit further use of such data to those purposes that make the return or destruction of such data infeasible. This subsection shall also apply to Department PHI, PI and PII that is in the possession of subcontractors or agents of Contractor.

**XXVIII. Delete Section 6, Cultural Competence, Subsection C, Bilingual Staff for Direct Services Positions; and Subsection F, Staff Cultural Training, of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**6. CULTURAL COMPETENCE.**

- C. Bilingual Staff for Direct Service Positions.** Contractor will strive to fill direct service positions with bilingual staff in County’s threshold language Spanish that is reflective of the specific needs of each region. Contractor percentage goals are calculated based on U.S. Census language data by region: Santa Barbara service area – 30%; Santa Maria service area – 65%; and Lompoc service area – 45%.
- F.** As applicable, a measurable and documented effort must be made to conduct outreach to and to serve the marginalized, underserved, and non-served communities of Santa Barbara County.

**XXIX. Add Subsection G to Section 6, Cultural Competence of Exhibit A-1, General Provisions - ADP SUBG as follows:**

**6. CULTURAL COMPETENCE.**

- G.** Contractor shall establish a process by which Spanish speaking staff who provide direct services in Spanish or interpretive services are tested for proficiency in speaking, reading, and writing in the Spanish language.

**XXX. Delete Section 7, Notification Requirements, Subsections A and B of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**7. NOTIFICATION REQUIREMENTS.**

- A. Written Notice of Termination to Members.** Contractor shall make a good faith effort to give written notice of termination of Contractor as a provider of services to each member who was seen on a regular basis by Contractor. The notice to the member and a copy of each such notice to the County shall be provided 30 calendar days prior to the effective date of the termination of this Agreement or 15 calendar days after receipt or issuance of the notice of termination of this Agreement, whichever is later.

**B. Notice to QCM.** Contractor shall immediately notify Behavioral Wellness Quality Care Management (“QCM”) Division at 805-681-4777 or by email at BWELLQCM@sbcbswell.org in the event of:

1. Known serious complaints against licensed/certified staff;
2. Restrictions in practice or license/certification of staff as stipulated by a State agency;
3. Staff privileges restricted at a hospital;
4. Other action instituted which affects staff license/certification or practice (for example, sexual harassment accusations); or
5. Any event triggering Incident Reporting, as defined in *Behavioral Wellness Policy and Procedure #4.004, Unusual Occurrence Reporting*

**XXXI. Delete Section 8, Monitoring, Subsection A of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**8. MONITORING.**

A. Contractor agrees to abide by and to cooperate with the County’s utilization review process which ensures medical necessity, appropriateness and quality of care. This review may include clinical record review, client survey, and other utilization review program monitoring practices, as required by the Performance Agreement, Agreement Number 21-10112, A1 and A2.

**XXXII. Delete Section 10, Nondiscrimination, of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**10. NONDISCRIMINATION AND COMPLIANCE (GTC 02/2025).**

A. During the performance of this Agreement, Contractor and its subcontractors shall not deny this Agreement’s benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12900 et seq.), the regulations promulgated thereunder (2 C.C.R. § 11000 et seq.), the provisions of article 9.5, chapter 1, part 1, division 3, title 2 of the Government Code (Gov. Code, §§ 11135–11139.5), and the regulations or standards adopted by the California Department of Health Care Services (DHCS) to implement such article. Contractor shall permit access by representatives of the California Civil Rights Department (CRD) and DHCS upon reasonable notice at any time during normal business hours, but in no case less than 24 hours’ notice, to such of its books, records, accounts, and all other sources of information and its facilities as CRD or DHCS shall require to ascertain compliance with this provision. Contractor and subcontractors shall give written notice of their obligations under this provision to labor

organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, § 11105.)

- B.** Contractor shall include subsection 10 (Nondiscrimination Clause (GTC 02/2025)) of this Section (Additional State Contract Compliance Requirements) in all subcontracts to perform work under the Agreement.

**XXXIII. Delete the heading of Section 13, Additional Requirements for SABG/SAPT-Funded Services, of Exhibit A-1, General Provisions – ADP SAPT/SUBG, of the Agreement, and replace it with the following:**

**13. ADDITIONAL REQUIREMENTS FOR SUBG-FUNDED SERVICES.**

**XXXIV. Delete Section 13, Additional Requirements for SABG/SAPT-Funded Services, Subsection A, General Provisions; and Subsection D, Additional Control Requirements, Subsections 1, Paragraph 1, 3, 4, and 5 of Exhibit A-1, General Provisions – ADP SUBG, of the Agreement, and replace it with the following:**

**13. ADDITIONAL REQUIREMENTS FOR SUBG-FUNDED SERVICES.**

**A. General Provisions.** The Substance Use Prevention and Treatment Block Grant (SUBG) is a federal award within the meaning of Title 45, Code of Federal Regulations (C.F.R.), Part 75. This Agreement is a subcontract of the subaward to County of the federal award to DHCS. Contractor agrees, as a condition of receiving SUBG funds, to the terms in this Section 13. All SUBG activities are subject to all applicable federal and state laws, regulations and standards. The contractor shall be familiar with and establish written policies and procedures consistent with the requirements listed below, as applicable

1. **Additional Restrictions.** This Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress, or any statute enacted by the Congress, which may affect the provisions, terms, or funding of this Agreement in any manner.
2. **Hatch Act.** Contractor agrees to comply with the provisions of the Hatch Act (USC, Title 5, Part III, Subpart F., Chapter 73, Subchapter III), which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.
3. **No Unlawful Use or Unlawful Use Messages Regarding Drugs.** Contractor agrees that information produced through these funds, and which pertains to drugs and alcohol-related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol-related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC, Division 10.7, Chapter 1429, Sections 11999-11999.3). By signing this Agreement, Contractor agrees that it will enforce, and will require its subcontractors to enforce, these requirements.
4. **Limitation on Use of Funds for Promotion of Legalization of Controlled Substances.** None of the funds made available through this Contract may be used for any activity that promotes the legalization of any drug or other substance included in Schedule I of Section 202 of the Controlled Substances Act (21 USC 812).

5. **Debarment and Suspension.** Contractor shall not subcontract with or employ any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp. p. 189) and 12689 (3 CFR part 1989., p. 235), “Debarment and Suspension.” SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

Contractor shall advise all subcontractors of their obligation to comply with applicable federal debarment and suspension regulations, in addition to the requirements set forth in 42 CFR Part 1001.

If Contractor subcontracts or employs an excluded party, DHCS has the right to withhold payments, disallow costs, or issue a CAP, as appropriate, pursuant to HSC Code 11817.8(h).

6. **Restriction on Distribution of Sterile Needles.** No SUBG funds made available through this Contract shall be used to purchase sterile needles or syringes for the hypodermic injection of any illegal drug. DHCS has allowed SUBG funds to support existing Syringe Services Programs (SSP) or to establish new SSPs for allowable costs related to SSP. **No federal funds can be used to purchase sterile needles or syringes.**
7. **Nondiscrimination and Institutional Safeguards for Religious Providers.** Contractor shall establish such processes and procedures as necessary to comply with the provisions of USC, Title 42, Section 300x-65 and CFR, Title 42, Part 54.
8. **Counselor Certification.** Any counselor or registrant providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients, or residents in a DHCS licensed or certified program is required to be registered or certified as defined in CCR, Title 9, Division 4, Chapter 8.
9. **Cultural and Linguistic Proficiency.** To ensure equal access to quality care by diverse populations, each service provider receiving funds from this Contract shall adopt the Federal Office of Minority Health Culturally and Linguistically Appropriate Service (CLAS) national standards as outlined online at: <https://thinkculturalhealth.hhs.gov/clas/standards>.
10. **Intravenous Drug Use (IVDU) Treatment.** County shall ensure that individuals in need of IVDU treatment shall be encouraged to undergo AOD treatment (42 USC 300x-23 (45 CFR 96.126(e))).
11. **Tuberculosis Treatment.** Contractor shall ensure the following related to Tuberculosis (TB):
  - i. Routinely make available TB services to individuals receiving treatment.
  - ii. Reduce barriers to patients’ accepting TB treatment.
  - iii. Develop strategies to improve follow-up monitoring, particularly after patients leave treatment, by disseminating information through educational bulletins and technical assistance.

12. **Trafficking Victims Protection Act of 2000.** Contractor and its subcontractors that provide services covered by this Agreement shall comply with the Trafficking Victims Protection Act of 2000 (USC, Title 22, Chapter 78, Section 7104) as amended by section 1702 of Pub. L. 112-239.
13. **Marijuana Restriction.** Grant funds may not be used, directly or indirectly, to purchase, prescribe, or provide marijuana or treatment using marijuana. Treatment in this context includes the treatment of opioid use disorder. Grant funds also cannot be provided to any individual who or organization that provides or permits marijuana use for the purposes of treating substance use or mental disorders. See, e.g., 45 CFR. § 75.300(a) (requiring HHS to “ensure that Federal funding is expended...in full accordance with U.S. statutory...requirements.”); 21 USC § 812(c) (10) and 841 (prohibiting the possession, manufacture, sale, purchase or distribution of marijuana). This prohibition does not apply to those providing such treatment in the context of clinical research permitted by the DEA and under an FDA-approved investigational new drug application where the article being evaluated is marijuana or a constituent thereof that is otherwise a banned controlled substance under Federal law.
14. **Adolescent Best Practices Guidelines.** Contractor must utilize DHCS guidelines in developing and implementing youth treatment programs funded under this Enclosure The Adolescent Best Practices Guidelines can be found at: [https://www.dhcs.ca.gov/Documents/CSD\\_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf](https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf)
15. **Byrd Anti-Lobbying Amendment (31 USC 1352).** Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Contractor shall also disclose to County and DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
16. **Nondiscrimination in Employment and Services.** Contractor certifies that under the laws of the United States and the State of California, Contractor will not unlawfully discriminate against any person. Noncompliance with the requirements of nondiscrimination in services shall constitute grounds for County or DHCS to withhold payments under this Agreement or terminate all, or any type, of funding provided under County’s Performance Agreement (No. 21-10112, A1 and A2).
17. **Information Access for Individuals with Limited English Proficiency.**
  - i. Contractor shall comply with all applicable provisions of the Dymally-Alatorre Bilingual Services Act (Government Code sections 7290-7299.8) regarding access to materials that explain services available to the public as well as providing language interpretation services.
  - ii. Contractor shall comply with the applicable provisions of Section 1557 of the Affordable Care Act (45 CFR Part 92), including, but not limited to, 45 CFR 92.201, when providing access to:
    - a. Materials explaining services available to the public;

- b. Language assistance;
  - c. Language interpreter and translation services, or
  - d. Video remote language interpreting services.
18. Non-profit subcontractors receiving SUBG funds shall comply with the financial management standards contained in 45 C.F.R., Section 75.302(b)(1) through (4) and (b)(7), and 45 C.F.R., Section 96.30.
19. The following provisions of Enclosure 4 of the SUBG Biennial Funding Allocation and Application Instructions State Fiscal Years 2024-26 are hereby incorporated by reference into this Agreement: Sections 1 Federal Equal Employment Opportunity Requirements; 2 Travel and Per Diem Reimbursement; 3 Procurement Rules; 4 Equipment Ownership/Inventory/Disposition; 5 Subcontract Requirements; 6 Income Restrictions; 7 Audit and Record Retention; 8 Site Inspection; 9 Federal Contract Funds; 11 Intellectual Property Rights; 12 Air or Water Pollution Requirements; 13 Prior Approval of Training Seminars, Workshops, or Conferences; 14 Confidentiality of Information; 15 Documents, Publications, and Written Reports; 18 Human Subjects Use Requirements; 20 Debarment and Suspension Certification; 21 Smoke-Free Workplace Certification; 25 Officials Not to Benefit; 27 Prohibited Use of State Funds for Software; 32 Suspension or Stop Work Notification; 33 Public Communications; and 34 Compliance with Statutes and Regulations; and 35 Lobbying Restrictions and Disclosure Certification.
20. **Generative Artificial Intelligence Technology Uses and Reporting.**
- i. Contractor certifies its services or work under this Agreement does not include or make available any Generative Artificial Intelligence (GenAI) technology including GenAI from third parties or subcontractors.
  - ii. During the Term of this Agreement, Contractor shall notify County in writing if its services or any work under this Agreement includes or makes available any previously unreported GenAI technology including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000), available at <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std1000.pdf> and submit the completed form to County to report the use of any new or previously unreported GenAI technology.
  - iii. At the direction of County, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk, or contract performance until use of such GenAI technology has been approved by County.
  - iv. Contractor acknowledges and agrees that its failure to disclose GenAI technology use and submit the GenAI Reporting and Factsheet (STD 1000) to County may be considered a material breach of this Agreement by County or the California Department of Health Care Services (DHCS), and County or DHCS may consider the failure to disclose GenAI technology use and/or submit the GenAI Reporting and Factsheet (STD 1000) to County as grounds for the immediate termination of this Agreement. County and DHCS are entitled to seek all the relief to which they may be entitled as a result of such non-disclosure.

- v. Contractor shall include subsection 20 (Generative Artificial Intelligence Technology Uses and Reporting) of this Section (Additional Requirements for SUBG-Funded Services) in all subcontracts to perform work under this Agreement.

**D. Additional Control Requirements.**

1. In accepting DHCS drug and alcohol SUBG allocation pursuant to HSC Sections 11814(a) and (b), Contractor shall establish written policies and procedures consistent with these requirements:
3. Contractor shall adhere to the applicable provisions of Title 45, CFR, Part 75 and Part 96 in the expenditure of SUBG funds.
4. Contractor and all its subcontractors shall comply with the Minimum Quality Drug Treatment Standards for SUBG for all Substance Use Disorder (SUD) treatment programs either partially or fully funded by SUBG. The Minimum Quality Drug Treatment Standards for SUBG are attached to the SUBG Biennial Funding Allocation and Application Instructions State Fiscal Years 2024-26 in Enclosure 4.
5. Restrictions on Salary. Contractor agrees that no part of any federal funds provided under this Agreement shall be used by the Contractor or its subcontractors to pay the salary and wages of an individual at a rate in excess of Level II of the Executive Schedule. Salary and wages schedules may be found at [https://grants.nih.gov/grants/policy/salcap\\_summary.htm](https://grants.nih.gov/grants/policy/salcap_summary.htm). SUBG funds used to pay a salary in excess of the rate of basic pay for Level II of the Executive Schedule shall be subject to disallowance. The amount disallowed shall be determined by subtracting the individual's actual salary from the Level II rate of basic pay and multiplying the result by the percentage of the individual's salary that was paid with SUBG funds.

**XXXV. Delete Section 1, Program Summary, of Exhibit A-2 Statement of Work: ADP Recovery Residences Services Program, of the Agreement, and replace it with the following:**

1. **PROGRAM SUMMARY:** Contractor to provide supervised Recovery Residence Services (hereafter “the Program”) to adult clients age 18 and over, to maintain an alcohol and drug-free lifestyle by providing a safe and sober living environment for up to 90 days. The Program provides housing services to be utilized in combination with Drug Medi-Cal Organized Delivery System (DMC-ODS) Outpatient Services (OS), Intensive Outpatient Services (IOS), to include DMC-ODS Recovery Services to help clients maintain sobriety by providing a safe, sober living environment. All Program residents must be actively engaged in either Recovery Services or Substance Use Disorder (SUD) treatment services provided off-site. The Program shall not provide treatment services of any kind to its residents on site, however, mutual/self-help group meetings may be offered on site. Contractor shall provide 22 beds. The Program will be located at the location(s) set forth in this Section 1 (Program Summary) unless otherwise approved by the Director of the Department of Behavioral Wellness or designee in writing and shall not alter the Maximum Contract Amount. The Program will be offered at the following locations:

**XXXVI. Delete Section 3, Services, Subsections A and K, of Exhibit A-2 Statement of Work: ADP Recovery Residences Services Program, of the Agreement, and replace it with the following:**

3. **SERVICES.** Contractor shall provide the following services to include but not limited to:

- A. Twenty-Two (22) beds, including room and board, and recovery housing in support of clients receiving DMC-ODS treatment from County contracted treatment providers to include an evening meal, breakfast, shower, laundry, mail and locker service.
- K. Follow County non-judgmental recovery-oriented principles, provide relapse prevention interventions and try to keep client engaged in Recovery services, if a client relapses or tests positive while Recovery Residence services.

**XXXVII. Delete Section 4, Clients, Subsection A, of Exhibit A-2 Statement of Work: ADP Recovery Residences Services Program, of the Agreement, and replace it with the following:**

**I. MEMBERS.**

- A. The anticipated target census will be 275 members, with a maximum of 435 members during the term of the agreement. Members shall consist of County residents, adults age 18 years of age and older with SUD to include the sub-populations of women and intravenous drug users.

**XXXVIII. Delete Section 5, Beds, of Exhibit A-2 Statement of Work: ADP Recovery Residences Services Program, of the Agreement, and replace it with the following:**

- 5. **BEDS.** Contractor shall provide services as described in Section 3 with availability of twenty-two (22) beds for Behavioral Wellness clients per fiscal year, referred by sources specified in Section 7.A. Room and Board only to be paid if in use by County referred clients.

**XXXIX. Delete Section 6, Length of Stay, Subsection C, of Exhibit A-2 Statement of Work: ADP Recovery Residences Services Program, of the Agreement, and replace it with the following:**

**6. LENGTH OF STAY.**

- C. If the bed is not filled by 10:00 pm each night, Behavioral Wellness releases its claim to all but one (1) of the twenty-two (22) beds remaining available.

**XL. Delete Section 13, Client and Family Member Empowerment, of Exhibit A-2 Statement of Work: ADP Recovery Residences, of the Agreement, and replace it with the following:**

**13. REPORTS.**

- A. **Statistical Reports.** Contractor shall maintain records and make statistical reports monthly or as required by County Advocates for Human Potential (AHP), and the State Department of Health Care Services (DHCS) or applicable agency, on forms provided by either agency to include but not limited to the following information:
  - 1. Demographics of members;
  - 2. Member census, including date of exit, and reason for program exit; and
  - 3. Number of members exited into homelessness, temporary housing, permanent housing, and to other destinations.
- B. In addition to reports required under this Agreement, upon County's request, Contractor shall make additional reports as required by County concerning Contractor's activities as they affect the services hereunder. County will be specific as to the nature of information requested and allow thirty (30) days for Contractor to respond.

**XXI. Add Section 14, Additional Provisions, to Exhibit A-2 Statement of Work: ADP Recovery Residences, of the Agreement as follows:**

**14. ADDITIONAL PROVISIONS.**

- A. Contractor agrees to hold harmless the State and beneficiaries in the event the County cannot or does not pay for services performed by the Contractor.
- B. The Contractor will not discriminate against beneficiaries on the basis of health status or need for health care services, pursuant to 42 C.F.R. § 438.6(d)(3).
- C. Contractor agrees to comply with all applicable federal and state law, particularly the statutes and regulations incorporated by reference herein. Contractor agrees to comply with any changes to these statutes and regulations that may occur during the contract period and any new applicable statutes or regulations, but either the County or Contractor may request consultation and discussion of new or changed statutes or regulations, including whether contract amendments may be necessary.
- D. Contractor agrees to comply with the provisions of Exhibit F (Behavioral Health Bridge Housing Program Grant Funding Requirements) attached hereto.
- E. Contractor shall develop and maintain a written disaster plan for the Program site and shall provide annual disaster training to staff that addresses, at a minimum: emergency staffing levels for the continuation of services under the Program, patient safety, facility safety, safety of medication storage and dispensing medication, and protection of client records, as required by this Agreement.
- F. Behavioral Health Bridge Housing shelter and interim housing sites must meet the Emergency Solutions Grant (ESG) habitability standards and, when possible and as applicable, should also meet Continuum of Care (CoC) Housing Quality Standards (HQS).

**XLII. Delete Section 1, Program Summary, Subsection A and C, of Exhibit A-3-MHS Statement of Work Alcohol and Drug Free Housing, of the Agreement, and replace them with the following:**

**1. PROGRAM SUMMARY.**

- A. 23 W. Mission St., Santa Barbara, CA 93101; with availability of beds for females.
- C. 231 W. Haley St., Santa Barbara, CA 93101; with availability of beds for females.

**XLIII. Delete Section 2, Program Goals, Subsection C, of Exhibit A-3-MHS Statement of Work Alcohol and Drug Free Housing, of the Agreement, and replace it with the following:**

**2. PROGRAM GOALS.**

- C. For Department of State Hospital (DSH) AB1810 Diversion Program members for FY 2024-25, reduce costs associated with criminal case processing and re-arrest; and

**XLIV. Add Subsection E to Section 2, Program Goals, of Exhibit A-3-MHS Statement of Work Alcohol and Drug Free Housing, of the Agreement as follows:**

**3. PROGRAM GOALS.**

- E. For DSH Diversion Program (formerly known as AB1810 Diversion Program) members for FY 2025-27, reduce costs associated with criminal case processing and re-arrest.

**XLV. Delete Section 3, Services, Subsection B, of Exhibit A-3-MHS Statement of Work Alcohol and Drug Free Housing, of the Agreement, and replace it with the following:**

**3. SERVICES.**

**B.** Contractor shall adhere to Behavioral Wellness Standards for Sober Living Environments, Sober Living Guidelines, and CCAPP Standards for Sober Living Environments, available at [https://ccapprecoveryresidences.org/wp-content/uploads/2022/05/CCAPP\\_Recovery\\_Residence\\_Standards\\_Final.pdf](https://ccapprecoveryresidences.org/wp-content/uploads/2022/05/CCAPP_Recovery_Residence_Standards_Final.pdf), incorporated herein by reference.

**XLVI. Delete Section 6, Admission Process, Subsection B, Subsection i, of Exhibit-MHS A-3 Statement of Work Alcohol and Drug Free Housing, of the Agreement, and replace it with the following:**

**6. ADMISSION PROCESS.**

**B.** Contractor shall ensure clients meet admission criteria as follows:

i. Be approved for housing through DSH Diversion Program.

**XLVII. Delete Section 9, Licenses, Permits, Registrations, Accreditations, and Certifications; Section 10, Confidentiality; Section 11, Client and Family Member Empowerment; Section 12, Cultural Competence; and Section 13, Notification Requirements, of Exhibit A-3-MHS Statement of Work Alcohol and Drug Free Housing, of the Agreement in its entirety.**

**XLVIII. Delete the Introductory Paragraph of Exhibit B, Financial Provisions – ADP, of the Agreement, and replace it with the following:**

(Applicable to programs described in Exhibit A-1 through A-3)  
(With attached Exhibit B-1 ADP, Schedule of Rates and Contract Maximum)

This Agreement provides for reimbursement for Alcohol and Drug Program Services up to a Maximum Contract Amount, reflected in Section II below and Exhibit B-1 ADP. For all services provided under this Agreement. CONTRACTOR will comply with all requirements necessary for reimbursement in accordance with the regulations applicable to the funding sources identified in the Exhibit B-1 ADP, the Substance Use Prevention and Treatment Block Grant (SUBG) funding awarded by the California Department of Health Care Services (DHCS), and other applicable Federal, State and local laws, rules, manuals, policies, guidelines and directives.

**XLIX. Delete Exhibit B, Financial Provisions – ADP, Section I, Payment for Services, Section F, Non-Drug Medi-Cal Services, of the Agreement and replace it with the following:**

**I. PAYMENT FOR SERVICES.**

**F. Non-Drug Medi-Cal Services.** County recognizes that some of the services provided by Contractor's Program, described in the Exhibit A(s), may not be reimbursable by Drug Medi-Cal, or may be provided to individuals who are not Drug Medi-Cal eligible and such services may be reimbursed by other County, State, and Federal funds only to the extent specified in Exhibit B-1 ADP and pursuant to Section I, Paragraph D (Funding Sources) of this Exhibit B-ADP. Funds for these services are included within the Maximum Contract Amount, and at the County's discretion, may be subject to reimbursement at the lower of actual cost, or the applicable negotiated fee.

- L. Delete Exhibit B, Financial Provisions – ADP, Section II, Maximum Contract Amount, of the Agreement, and replace it with the following:**

**II. MAXIMUM CONTRACT AMOUNT.**

The Maximum Contract Amount of this Agreement shall not exceed **\$1,089,850**, inclusive of \$295,650 for FY 2024-25 (inclusive of \$148,820 that was previously under Purchase Order CN8949 but otherwise cancels, nullifies, and supersedes Purchase Order CN8949), \$332,505 for FY 2025-26, and \$388,845 for FY 2026-27, in Alcohol and Drug Program funding, and shall consist of County, State, and/or Federal funds as shown in Exhibit B-1-ADP.

Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor’s performance hereunder without a properly executed amendment.

- LI. Delete Exhibit B, Financial Provisions: ADP, Section III, Provisional Negotiated Fee, of the Agreement, and replace it with the following:**

**III. PROVISIONAL NEGOTIATED FEE.** County agrees to reimburse Contractor at a Negotiated Fee (the “Negotiated Fee”) for Drug Medi-Cal services during the term of this Agreement. Non-Drug Medi-Cal services, at the County’s discretion, will be paid at the lower of actual cost, or the applicable negotiated fee.

- LII. Delete Exhibit B, Financial Provisions: ADP, Section VIII, Cost Report for Non-Drug Medi-Cal Services, Section B, Cost Report to be Used for Initial Settlement, and replace it with the following:**

**VII. COST REPORT FOR NON-DRUG MEDI-CAL SERVICES.**

**B. Cost Report to be Used for Initial Settlement.** The Non-Medical Services Cost Report shall be the financial and statistical report submitted by Contractor to County, and may serve as the basis for initial settlement with Contractor as set forth in Section IX (Audits and Audit Appeal). Contractor shall document that costs are reasonable and allowable and directly or indirectly related to the services to be provided hereunder.

- LIII. Delete Exhibit B, Financial Provisions: MHS, Section II, Maximum Contract Amount, of the Agreement, and replace it with the following:**

**II. MAXIMUM CONTRACT AMOUNT.**

The Maximum Contract Amount of this Agreement shall not exceed **\$1,089,850**, inclusive of \$32,850, for FY 2024-26, \$20,000, for FY 2025-26, and \$20,000, for FY 2026-27, in Mental Health funding, and shall consist of County, State, and/or Federal funds as shown in Exhibit B-1–MHS and subject to the provisions in Section I (Payment for Services). Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor’s performance hereunder without a properly executed amendment.

- LIV. Delete Section V, Quality Assurance (QA) / Utilization Management (UM) Incentive Payment, of Exhibit B General Financial Provisions: MHS, of the Agreement, and replace it with the following:**

**V. QUALITY ASSURANCE (QA) UTILIZATION MANAGEMENT (UM) INCENTIVE PAYMENT. (RESERVED)**

THIS SECTION INTENTIONALLY LEFT BLANK

**LV. Delete Exhibit B-1 – ADP Schedule of Rates and Contract Maximum FY 24-27, of the Agreement, and replace it with the following:**

**EXHIBIT B-1 ADP  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**


**EXHIBIT B-1 ADP  
DEPARTMENT OF BEHAVIORAL WELLNESS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**CONTRACTOR NAME:** Stalwart Clean & Sober Inc. **FISCAL YEAR:** 24-25

Contracted Service	Service Type	Reimbursement Method	Rate (if applicable)	Non-Medi-Cal Contract Allocation
Non-Medi-Cal Billable Services	Recovery Residence	Negotiated Rate & Contingent Cost Reimbursement	\$45.00 Per Day	\$ 295,650

**Total Contract Maximum Per Fiscal Year** **\$295,650**

Contract Maximum by Program & Estimated Funding Sources				Total
Funding Sources (1)	PROGRAM(S)			
		Recovery Residence		
SUBG Non-Medi-Cal Services	\$ 98,550			\$ 98,550
Opioid Settlement Funds (2)	\$ 197,100			\$ 197,100
				\$ -
<b>TOTAL CONTRACT PAYABLE FOR FY 24-25:</b>	<b>\$ 295,650</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 295,650</b>

Signed by:  DocuSigned by: melissa manzo  
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**CONTRACTOR SIGNATURE:** \_\_\_\_\_  
**FISCAL SERVICES SIGNATURE:** \_\_\_\_\_

(1) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

**EXHIBIT B-1 ADP  
SCHEDULE OF RATES AND CONTRACT MAXIMUM (Continued)**

**EXHIBIT B-1 ADP  
DEPARTMENT OF BEHAVIORAL WELLNESS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**CONTRACTOR NAME:**

Stalwart Clean & Sober Inc.

**FISCAL  
YEAR:**

25-26

Contracted Service	Service Type	Reimbursement Method	Rate (if applicable)	Non-Medi-Cal Contract Allocation
Non-Medi-Cal Billable Services	Recovery Residence	Negotiated Rate & Contingent Cost Reimbursement	\$45.00 Per Day	\$ 332,505

**Total Contract Maximum Per Fiscal Year** **\$332,505**

Contract Maximum by Program & Estimated Funding Sources				
Funding Sources (1)	PROGRAM(S)			Total
	Recovery Residence			
SUBG Non-Medi-Cal Services	\$ 98,550			\$ 98,550
Opioid Settlement Funds (2)	\$ 197,100			\$ 197,100
Realignment / BHBH Grant	\$ 36,855			\$ 36,855
				\$ -
<b>TOTAL CONTRACT PAYABLE FOR FY 25-26</b>	<b>\$ 332,505</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 332,505</b>

CONTRACTOR SIGNATURE:

DocuSigned by:

Signed by:

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FISCAL SERVICES SIGNATURE:

*melissa manzo*

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(1) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

**EXHIBIT B-1 ADP  
SCHEDULE OF RATES AND CONTRACT MAXIMUM (Continued)**

**EXHIBIT B-1 ADP  
DEPARTMENT OF BEHAVIORAL WELLNESS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**CONTRACTOR NAME:** Stalwart Clean & Sober Inc. **FISCAL YEAR:** 26-27

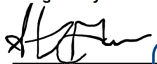
Contracted Service	Service Type	Reimbursement Method	Rate (if applicable)	Non-Medi-Cal Contract Allocation
Non-Medi-Cal Billable Services	Recovery Residence	Negotiated Rate & Contingent Cost Reimbursement	\$50.00 Per Day	\$ 388,845

**Total Contract Maximum Per Fiscal Year** **\$388,845**

Contract Maximum by Program & Estimated Funding Sources				Total
Funding Sources (1)	PROGRAM(S)			
		Recovery Residence		
SUBG Non-Medi-Cal Services	\$ 109,500			\$ 109,500
Opioid Settlement Funds (2)	\$ 219,000			\$ 219,000
Realignment / BHBH Grant	\$ 60,345			\$ 60,345
				\$ -
<b>TOTAL CONTRACT PAYABLE FOR FY 26-27:</b>	<b>\$ 388,845</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 388,845</b>

CONTRACTOR SIGNATURE:

FISCAL SERVICES SIGNATURE:

Signed by:   
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(1) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

**LVI. Delete Exhibit B-1- MHS Schedule of Rates and Contract Maximum FY24-27, of the Agreement, and replace it with the following:**

**EXHIBIT B-1 MHS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**EXHIBIT B-1 MH  
DEPARTMENT OF BEHAVIORAL WELLNESS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**CONTRACTOR NAME:** Stalwart Clean & Sober Inc. **FISCAL YEAR:** 2024-25

Contracted Service	Service Type	Reimbursement Method	Rate	Non-Medi-Cal Contract Allocation
Non-Medi-Cal Billable Services	Residential Services	Negotiated Rate	\$45.00 Per Day	\$32,850
<b>Total Contract Maximum Per Fiscal Year</b>				<b>\$32,850</b>

Contract Maximum by Program & Estimated Funding Sources				
Funding Sources (1)	PROGRAM(S)			Total
	Residential Services			
AB 1810 Grant	\$ 32,850			\$ 32,850
Grants				\$ -
Other County Funds				\$ -
<b>TOTAL CONTRACT PAYABLE:</b>	<b>\$ 32,850</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,850</b>

CONTRACTOR SIGNATURE:   
 FISCAL SERVICES SIGNATURE: 96D40AB0C0AD408...

(1) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

**EXHIBIT B-1 MHS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM (Continued)**

**EXHIBIT B-1 MH  
DEPARTMENT OF BEHAVIORAL WELLNESS  
SCHEDULE OF RATES AND CONTRACT MAXIMUM**

**CONTRACTOR NAME:** Stalwart Clean & Sober Inc. **FISCAL YEAR:** 2025-26 & 2026-27

Contracted Service	Service Type	Reimbursement Method	Rate	Non-Medi-Cal Contract Allocation
Non-Medi-Cal Billable Services	Residential Services	Negotiated Rate	\$45.00 Per Day	\$20,000
<b>Total Contract Maximum Per Fiscal Year</b>				<b>\$20,000</b>

Contract Maximum by Program & Estimated Funding Sources				
Funding Sources (1)	PROGRAM(S)			Total
	Residential Services			
Department of State Hospitals Grant	\$ 20,000			\$ 20,000
Other County Funds				\$ -
<b>TOTAL PAYABLE FY 25-26:</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>
<b>TOTAL PAYABLE FY 26-27:</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,000</b>
<b>TOTAL CONTRACT PAYABLE:</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>

CONTRACTOR SIGNATURE:  DocuSigned by:  
 FISCAL SERVICES SIGNATURE:  Christie Boyer  
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(1) The Director or designee may reallocate between funding sources at his/her discretion during the term of the contract, including to utilize and maximize any additional funding or FFP provided by local, State, or Federal law, regulation, policy, procedure, or program. Reallocation of funding sources does not alter the Maximum Contract Amount and does not require an amendment to the contract.

**LIV. Delete Exhibit E, Program Goals, Outcomes and Measures, of the Agreement, and replace it with the following:**

**EXHIBIT E  
PROGRAM GOALS, OUTCOMES AND MEASURES**

<b>Recovery Residences Program Services June 30, 2024 – June 30, 2025</b>			
<b>Program Goal</b>		<b>Outcome</b>	<b>Measures</b>
Increase treatment retention and successful completion of treatment.	1	Members served in recovery residences annually (RR)	> Or = 66 Members
	2	Members retained in treatment	50%
	3	Members engaged in treatment	100%
	4	Members will be engaged in case management services (3+)	100%
	5	Member successful completion of treatment	100%

<b>Recovery Residences Program Services July 1, 2025 – June 30, 2027</b>			
<b>Program Goal</b>		<b>Outcome</b>	<b>Measures</b>
Provide a safe and sober living environment and support services.	1	Members served in recovery residences (RR)	#
	2	Member participation in RR care coordination (3+)	100%
	3	Maintained Sobriety	100%
	4	Acquired Permanent Housing	50%
	5	Attained/Maintained Employment	50%
	6	Members successfully discharge from RR (SmC)	50%

Contractor shall comply with amendments or modifications to Exhibit E(s) that do not alter the maximum contract amount of the Agreement and are authorized by the Director of the Department of Behavioral Wellness or designee in writing. This obligation shall apply without the need for an amendment of this Agreement.

- LV. Add Exhibit F, Behavioral Health Bridge Housing Program Grant Funding Requirements, to the Agreement as follows:**

**EXHIBIT F**

**BEHAVIORAL HEALTH BRIDGE**  
**HOUSING PROGRAM GRANT**  
**FUNDING REQUIREMENTS**

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**EXHIBIT F**  
**BEHAVIORAL HEALTH BRIDGE HOUSING PROGRAM GRANT FUNDING**  
**REQUIREMENTS**

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**1. Behavioral Health Bridge Housing Program Grant Funding Compliance**

- A. In the performance of this Agreement, Contractor shall adhere to the requirements and agreement(s) in this Exhibit F (Behavioral Health Bridge Housing Program Grant Funding Compliance), all of which are incorporated by this reference.
- B. Contractor shall comply with all County and Behavioral Health Bridge Housing (BHBH) Program requirements including, but not limited to, the County’s Request for Applications, the County’s BHBH Program Plan, and all applicable local, state, and federal laws, regulations, and guidance, that are now in force or may hereafter be in force.
- C. Contractor shall comply with all terms and conditions of the Subcontract Agreement, Subcontract Agreement ID: 20456-CA-BHBH-556-BHBH-SANTA-BARBARA-COUNTY-01, between the County and Advocates for Human Potential, Inc. (AHP), the California Department of Health Care Services (DHCS)’ administrator for the BHBH Program including, but not limited to, those specified in this Exhibit F (Behavioral Health Bridge Housing Program Grant Funding Compliance), and any amendments thereto, which are or shall be available at [www.bridgehousing.Buildingcalhhs.com](http://www.bridgehousing.Buildingcalhhs.com) or upon request.
  - 1. Contractor acknowledges and agrees to comply with all applicable numbered provisions of Attachment B of County’s BHBH grant agreement with AHP, Subcontract Agreement ID: 20456-CA-BHBH-556-BHBH-SANTA-BARBARA-COUNTY-01, including, but not limited to the following numbered provisions: 1 (Travel and Per Diem Reimbursement), 2 (Site Inspection), 3 (Intellectual Property Rights), 5 (Confidentiality of Information), 6 (Documentation, Publications, and Written Reports), 7 (Subcontract Requirements), 11 (Progress Payment Withholds), 15 (Prohibited Use of State Funds for Software), 16 (Insurance Requirements), 17 (Procurement Rules), 18 (Equipment/Property Ownership/Inventory/Disposition), 20 (Suspension or Stop Work Notification), 21 (Public Communications), and 22 (Audit and Record Retention).
- D. **Data Collection and Reporting.** Contractor shall comply with all data collection and reporting requirements of the County, AHP, or DHCS applicable to Contractor’s performance under this Agreement and shall use data systems to facilitate BHBH grant evaluation as directed by Behavioral Wellness.
- E. **Debarment and Suspension.** Contractor represents and certifies that neither Contractor nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible nor voluntarily excluded by any federal department or agency from participating in transactions. Any change in the debarred or suspended status of the Contractor during the life of this Agreement will be reported immediately to County and AHP. Contractor shall incorporate this Debarment and Suspension certification into any subcontract that it may enter into as a part of this Agreement.
- F. **Intellectual Property.**
  - 1. **Ownership.**

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

include, but are not limited to, the subcontractor assigning and agreeing to assign to DHCS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHCS and which result directly or indirectly from this Agreement, or any subcontract entered into by Contractor.

- f. Contractor further agrees to assist and cooperate with AHP and/or DHCS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHCS' Intellectual Property rights and interests.

## 2. **Retained Rights/License Rights.**

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

## 3. **Copyright.**

- a. Contractor agrees that for purposes of copyright law, all works [as defined in section 1.F.1.c above] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire." Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHCS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement.
- b. All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made,

conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement, shall include DHCS' notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2023, etc.], California Department of Health Care Services. This material may not be reproduced or disseminated without prior written permission from the California Department of Health Care Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

4. **Patent Rights.**

- a. With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically, included in this Agreement's scope of work, Contractor hereby grants to DHCS a license as described under section 1.F.2 above for devices or material incorporating, or made through the use of such inventions.
- b. If such inventions result from research and development work specifically included within this Agreement's scope of work, then Contractor agrees to assign to DHCS, without additional compensation, all its right, title, and interest in and to such inventions and to assist DHCS in securing United States and foreign patents with respect thereto.

5. **Third-Party Intellectual Property.**

- a. Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining AHP and DHCS' prior written approval; and (ii) granting to or obtaining for AHP and DHCS, without additional compensation, a license, as described in section 1.F.2 above, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and AHP and DHCS determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to AHP and DHCS.

6. **Warranties.**

- a. Contractor represents and warrants that:
  - i. It is free to enter into and fully perform this Agreement.
  - ii. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
  - iii. Neither Contractor's performance of this Agreement, nor the exercise by either party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-

disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.

- iv. Neither Contractor’s performance nor any part of its performance will violate the right of privacy of or constitute a libel or slander against any person or entity.
- v. It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers, or releases from all authors of music or performances used, and talent (radio, television, and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- vi. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHCS in this Agreement.
- vii. It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- viii. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor’s performance of this Agreement.
- ix. DHCS makes no warranty that the intellectual property resulting from this agreement does not infringe upon any patent, trademark, copyright, or the like, now existing or subsequently issued.

**7. Intellectual Property Indemnity.**

- a. Contractor shall indemnify, defend and hold harmless AHP and DHCS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, (“Indemnitees”) from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney’s fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (1) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (2) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHCS’ use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHCS and which result directly or indirectly from

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

- b. Should any Intellectual Property licensed by the Contractor to DHCS under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHCS’ right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DHCS. DHCS shall have the right to monitor and appear through its own counsel (at Contractor’s expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHCS to continue using the licensed Intellectual Property; or replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHCS shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- c. Contractor agrees that damages alone would be inadequate to compensate AHP or DHCS for breach of any term of this section 1.F (Intellectual Property) by Contractor. Contractor acknowledges AHP and/or DHCS would suffer irreparable harm in the event of such breach and agrees AHP and/or DHCS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

**8. Federal Funding.**

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

**9. Survival.**

- a. The provisions set forth herein shall survive any termination or expiration of this Agreement.

**G. Audit and Record Retention.**

- 1. Contractor agrees to maintain and preserve, until three years after termination of County’s BHBH grant agreement with AHP, Subcontract Agreement ID: 20456-CA-BHBH-556-BHBH-SANTA-BARBARA-COUNTY-01, and final payment from AHP to County, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers, and records related to this

- subcontract and to allow interviews of any employees who might reasonably have information related to such records
2. Contractor and/or its subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes “records” for the purpose of this provision.
  3. Contractor’s and/or subcontractor’s facility or office or such part thereof as may be engaged in the performance of this Agreement and its records shall be subject at all reasonable times to inspection, audit, and reproduction.
  4. Contractor agrees that AHP, DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Government Code Section 8546.7, Public Contract Code (PCC) Sections 10115 et seq., California Code of Regulations Title 2, Section 1896.77) The Contractor shall comply with the above and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in PCC Section 10115.10.
  5. Contractor and/or its subcontractor shall preserve and make available its records (1) for a period of six years for all records related to Disabled Veteran Business Enterprise (DVBE) participation (Military and Veterans Code Section 999.55), if this Agreement involves DVBE participation, and three years for all other contract records from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (a) or (b) below.
    - a. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement; or
    - b. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
  6. Contractor and/or its subcontractor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or its subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

7. Contractor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. § 200.501 (2014).

**H. Byrd Anti-Lobbying Amendment (31 USC 1352).** The Contractor shall certify to DHCS that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an office or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. The Subcontractor shall also disclose to DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal Award.

**I. Clean Air Act.** (Applicable to federally funded agreements in excess of \$150,000.)

1. Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 United States Code section 7401 et seq.
2. Contractor agrees to report each violation to the California Environmental Protection Agency (CalEPA) and understands and agrees that CalEPA will, in turn, report each violation as required to assure notification to County, the federal agency which provided funds in support of this Agreement, and the appropriate Environmental Protection Agency Regional Office.
3. Contractor shall include these requirements in all subcontracts exceeding \$150,000 to perform work under this Agreement.

**J. Federal Water Pollution Control Act.** (Applicable to federally funded agreements in excess of \$150,000.)

1. Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 United States Code section 1251 et seq.
2. Contractor agrees to report each violation to CalEPA and understands and agrees that CalEPA will, in turn, report each violation as required to assure notification to County, the federal agency which provided funds in support of this Agreement, and the appropriate Environmental Protection Agency Regional Office.
3. Contractor shall include these requirements in all subcontracts exceeding \$150,000 to perform work under this Agreement.

**LVI. Add Exhibit G, Opioid Settlement Funds, to the Agreement as follows:**

## **EXHIBIT G**

## **OPIOID SETTLEMENT FUNDS**

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**EXHIBIT G**  
**OPIOID SETTLEMENT FUNDS**

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**1. PERFORMANCE.**

Contractor shall only use the Opioid Settlement Funds for approved opioid abatement activities as set forth in Exhibit A Scope of Work (Program). Contractor's performance shall be governed by all laws, regulations, Behavioral Health Information Notices (BHIN), applicable National Opioid Settlement Agreements, and applicable bankruptcy plan documents regarding use of the funds that derive from the opioid litigation against manufacturers and distributors of prescription opioids, which can be accessed on the Department of Health Care Services (DHCS) Opioid Settlement website at:

<https://www.dhcs.ca.gov/provgovpart/Pages/California-Opioid-Settlements.aspx> (collectively referred to as the Applicable Authority for Use of Opioid Funds).

**2. REPORTS.**

A. Contractor shall certify that all Opioid Settlement Funds expended by Contractor have been used in compliance with the intended use of the funds as set forth in Exhibit A – Scope of work and in accordance with the Applicable Authority for Use of Opioid Funds. Contractor shall attest to this on each invoice submitted, which must be signed by someone with authority to legally bind Contractor.

B. Contractor shall provide documentation to the County Designated Representative [with each invoice no more than quarterly] including, but not limited to:

1. An accounting of actual expenditures incurred by Contractor for the Program(s);
2. Programmatic reports which shall include a brief narrative description of Contractor's progress in implementing the programs, goals, and outcomes of this Agreement;
3. The number of non-duplicated clients served or number of services provided;
4. The amount of actual costs that Contractor intends to claim as Indirect Costs.
5. Any other program specific reporting requirements, if any, as set forth in Exhibit A – Scope of Work that are applicable to the Program;

C. By entering into this Agreement, Contractor understands that its failure to submit timely reports may result in the withholding of payments until Contractor has submitted any required data, or a meet and confer with DHCS and/or the County, or an audit, or legal action.

**3. RECORD KEEPING.**

A. Contractor shall maintain financial records, documents, and other relevant evidence, including local accounting procedures and practices, to properly reflect direct and indirect costs related to its activities funded by the Opioid Settlement Funds.

- B. Contractor shall preserve these records for a minimum of ten (10) years after the expiration of the Agreement.
- C. If the County or DHCS determines that Contractor use of the Opioid Settlement Funds is inconsistent with eligible uses, records may be requested as part of a meet and confer, an audit, or legal action.
- D. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the six-year period, the records must be retained until the completion of the action and resolution of all issues which arise from it or until the end of the regular six-year period, whichever is later.

**4. REASONABLE ADMINISTRATIVE COSTS.**

- A. Grantee may use Opioid Settlement Funds to cover “Indirect Costs” as defined by DHCS in BHIN 2024-02 at Enclosure 1, available at <https://www.dhcs.ca.gov/Documents/CSD/Enclosure-1-RAC.pdf>. Total Indirect Costs shall be reasonable and not exceed actual costs or 10% of the total contract amount funded by Opioid Settlement Funds, whichever is less.
- B. Indirect Costs are defined as “costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to direct cost objectives.” (<https://www.dhcs.ca.gov/Documents/CSD/CA-OSF-Glossary.pdf>.) DHCS considers administrative expenses not identifiable with a specific project or benefiting more than one cost objective, such as overhead, general operations, or organization-wide activities of an agency, to be indirect costs.

**5. CONFIDENTIALITY.**

As applicable, Contractor and its employees shall maintain the confidentiality of patient records and any other health and enrollment information that identifies a particular beneficiary pursuant to: Title 42 United States Code (USC) Section 290 dd-2; Title 42 Code of Federal Regulations (C.F.R.), Part 2; 42 C.F.R. Section 438.224; 45 C.F.R. Section 96.132(e), 45 C.F.R. Parts 160, 162, and 164; Title 22 California Code of Regulations (C.C.R.) Section 51009; Welfare & Institutions Code (W&IC) Section 5328 et seq. and Sections 14100.2 and 14184.102; Health and Safety Code (HSC) Sections 11812 and 11845.5; Civil Code Sections 56 – 56.37, 1798.80 – 1798.82, and 1798.85, to the extent that these requirements are applicable. Patient records must comply with all appropriate State and Federal requirements.

**6. MONITORING.**

- A. Contractor’s performance of this Agreement will be monitored on an ongoing basis for compliance with the terms of this Agreement. County shall assign senior management staff as contract monitors to coordinate periodic review meetings with Contractor’s staff regarding quality of services, fiscal and overall performance activity, and provider recertification requirements, as applicable. Contractor grants County the right to conduct

periodic on-site and/or electronic reviews of Contractor's clinical documentation or accountings for expenditure of Opioid Settlement Funds.

- B.** Contractor shall allow the County and/or DHCS, and/or other authorized federal and state agencies, or their duly authorized designees, to evaluate Contractor's performance under this Agreement, including the quality, appropriateness, and timeliness of services provided. This right shall exist for six (6) years from the term end date of this Agreement or in the event the Contractor has been notified that an audit or investigation of this Agreement has been commenced, until such time as the matter under audit or investigation has been resolved, including the exhaustion of all legal remedies, whichever is later. If monitoring activities identify areas of non-compliance, Contractor will be provided with recommendations and a Corrective Action Plan (CAP).
- C.** Contractor shall participate in the creation of the CAP and shall comply with CAP requirements in order to address any deficiencies identified during the County's monitoring process. CAPs shall be submitted within the required timeframes and shall be documented using the template provided, shall provide a specific description of how the deficiency shall be corrected, and shall be signed and dated by program staff.

**7. REIMBURSEMENT OF FUNDS FOR NON-COMPLIANCE.**

- A.** In the event of Contractor's failure to meet reporting requirements and/or its improper use of funds, the County or DHCS may require Contractor to reimburse the Opioid Settlements Funds remitted to Contractor under this Agreement. Contractor shall reimburse the funds within 30 days of a written request.
- B.** Contractor shall be liable to County for any penalties assessed against County for Contractor's failure to comply with the Applicable Authority for Use of Opioid Funds.

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- LVII. Add Exhibit H, General Provisions Department of State Hospitals (DSH) Pre-Trial Felony Mental Health Diversion Program Services, to the Agreement as follows:**

## **EXHIBIT H**

### **GENERAL PROVISIONS**

#### **DEPARTMENT OF STATE HOSPITALS (DSH) PRE-TRIAL FELONY MENTAL HEALTH DIVERSION PROGRAM SERVICES**

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**EXHIBIT H**  
**GENERAL PROVISIONS**  
**DEPARTMENT OF STATE HOSPITALS (DSH)**  
**PRE-TRIAL FELONY MENTAL HEALTH DIVERSION PROGRAM SERVICES**

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1. **PERFORMANCE.** Contractor agrees to provide services for a Diversion Program as defined herein pursuant to the terms and conditions of Department of State Hospital DSH-4440 Agreement. The Department of State Hospitals is hereafter referred to as “DSH”.
  - A. Contractor shall be responsible for providing and/or arranging a full range of services and supports including but not limited to medical care, transportation, and patients-rights services.
  
2. **EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS.** Executive Order N-6-22 directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
  
3. **GENERAL TERMS AND CONDITIONS (GTC 04/2017).**
  - A. Contractor shall adhere to the General terms and conditions herein referenced and includes: 1 Approval; 2 Amendments; 3 Assignment; 4 Audit; 5 Indemnification; 6 Disputes; 7 Termination for Cause; 8 Independent Contractor; 9 Recycling; 10 Certification Clause; 11 Timeliness; 12 Compensation; 13 Governing Law; 14 Antitrust Claims; 15 Child Support Compliance Act; 16 Unenforceable Provision; 17 Priority Hiring; 18 Small Business Participation and DVBE Participation Reporting Requirements; and 19 Loss Leader.
  
4. **GENERATIVE ARTIFICIAL INTELLIGENCE TECHNOLOGY USES AND REPORTING.**
  - A. Contractor certifies its services or work under this Agreement does not include or make available any Generative Artificial Intelligence (GenAI) technology including GenAI from third parties or subcontractors.
  
  - B. During the Term of this Agreement, Contractor shall notify County in writing if its services or any work under this Agreement includes or makes available any previously unreported GenAI technology including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000), available at [STD 1000 Generative Artificial Intelligence \(GenAI\) Disclosure & Factsheet](#) and submit the completed form to County to report the use of any new or previously unreported GenAI technology.

- C. At the direction of County, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk, or contract performance until use of such GenAI technology has been approved by County.
- D. Contractor acknowledges and agrees that its failure to disclose GenAI technology use and submit the GenAI Reporting and Factsheet (STD 1000) to County may be considered a material breach of this Agreement by County or the California Department of Health Care Services (DHCS), and County or DHCS may consider the failure to disclose GenAI technology use and/or submit the [STD 1000 Generative Artificial Intelligence \(GenAI\) Disclosure & Factsheet.pdf](#) to County as grounds for the immediate termination of this Agreement. County and DHCS are entitled to seek all the relief to which they may be entitled as a result of such non-disclosure.
- E. Contractor shall include subsection C (Generative Artificial Intelligence Technology Uses and Reporting) of this Section (Additional State Contract Compliance Requirements) in all subcontracts to perform work under this Agreement.

**5. CONTRACTOR CERTIFICATION CLAUSE.**

**A. Nondiscrimination and Compliance.**

1. During the performance of this Agreement, Contractor and its subcontractors shall not deny this Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12900 et seq.), the regulations promulgated thereunder (2 C.C.R. § 11000 et seq.), the provisions of article 9.5, chapter 1, part 1, division 3, title 2 of the Government Code (Gov. Code, §§ 11135–11139.5), and the regulations or standards adopted by the California Department of Health Care Services (DHCS) to implement such article. Contractor shall permit access by representatives of the California Civil Rights Department (CRD) and DHCS upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as CRD or DHCS shall require to ascertain compliance with this provision. Contractor and subcontractors shall give written notice of their obligations under this provision to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, § 11105.
2. Contractor shall include subsection A (Nondiscrimination and Compliance of this Section in all subcontracts to perform work under the Agreement.

**B. Drug-Free Workplace Requirements.** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
  - i. The dangers of drug abuse in the workplace;
  - ii. The person's organization's policy of maintaining a drug-free workplace;
  - iii. Any available counseling, rehabilitation and employee assistance programs; and
  - iv. Penalties that may be imposed upon employees for drug abuse violations.
3. Every employee who works on the proposed Agreement will:
  - i. Receive a copy of the company's drug-free workplace policy statement; and
  - ii. Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.
4. Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

**C. Domestic Partners.** For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

**D. Gender Identify.** For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

**6. DOING BUSINESS WITH THE STATE OF CALIFORNIA.**

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

1. Current State Employees (Pub. Contract Code §10410):
  - i. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the

employment, activity or enterprise is required as a condition of regular state employment.

- ii. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

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

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

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

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

**B. Americans with Disabilities Act.** Contractor agrees to ensure that deliverables developed and produced pursuant to this Agreement shall comply with the accessibility requirements of sections 7405 and 11135 of the California Government Code, section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in part 1194 of title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.). In 1998, Congress amended the Rehabilitation Act of 1973 to require federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code sections 7405 and 11135 codify section 508 of the Rehabilitation Act of 1973 requiring accessibility of EIT.

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

**LVIII. Effectiveness.** The terms and provisions set forth in this First Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Agreement. The terms and provisions of the Agreement, except as expressly modified and superseded by the First Amendment, are ratified and confirmed and shall continue in full force and effect and shall continue to be legal, valid, binding, and enforceable obligations of the parties.

**LIX. Execution of Counterparts.** This First Amendment may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

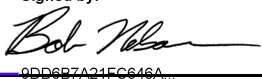
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**SIGNATURE PAGE**

First Amendment to the Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Stalwart Clean & Sober, Inc.**

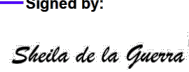
**IN WITNESS WHEREOF**, the parties have executed this First Amendment to be effective as of the date executed by COUNTY.

**COUNTY OF SANTA BARBARA:**

Signed by:  
  
By: \_\_\_\_\_  
0DD6B7A21FC648A...  
BOB NELSON, CHAIR  
BOARD OF SUPERVISORS  
Date: 4/27/2026 | 1:57 PM PDT  
\_\_\_\_\_


**ATTEST:**

MONA MIYASATO  
COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

Signed by:  
  
By: \_\_\_\_\_  
0B03F3DDF9EE4AA...  
Deputy Clerk  
Date: 4/27/2026 | 2:01 PM PDT  
\_\_\_\_\_


**CONTRACTOR:**

**STALWART CLEAN & SOBER, INC.**

Signed by:  
  
By: \_\_\_\_\_  
516F0B5FCAC141A...  
Authorized Representative  
Name: STEVE GORALSKI  
Title: Director  
Date: 4/9/2026  
\_\_\_\_\_

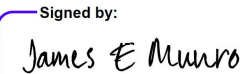
**APPROVED AS TO FORM:**

RACHEL VAN MULLEM  
COUNTY COUNSEL

Signed by:  
  
By: \_\_\_\_\_  
4BA252DEFD3466...  
Deputy County Counsel

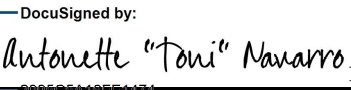
**APPROVED AS TO ACCOUNTING FORM:**

BETSY M. SCHAFFER, CPA  
AUDITOR-CONTROLLER

Signed by:  
  
By: \_\_\_\_\_  
02BA147EF6A84DE...  
Deputy

**RECOMMENDED FOR APPROVAL:**

ANTONETTE NAVARRO, LMFT  
DIRECTOR, DEPARTMENT OF  
BEHAVIORAL WELLNESS

DocuSigned by:  
  
By: \_\_\_\_\_ for  
2099C5A10FE1474...  
Director

**APPROVED AS TO FORM:**

MARISA KAHN, INTERIM RISK MANAGER  
DEPARTMENT OF RISK MANAGEMENT

Signed by:  
  
By: \_\_\_\_\_  
DF04F5C00F6C41A...  
Interim Risk Manager