

AGREEMENT

FOR SERVICES OF INDEPENDENT CONTRACTOR

BC_____

THIS AGREEMENT (hereafter **Agreement**) is made by and between the **COUNTY** of Santa Barbara, a political subdivision of the State of California (hereafter **COUNTY**) and **Future Leaders of America**, having its principal place of business at Ventura, California (hereafter **CONTRACTOR**) wherein **CONTRACTOR** agrees to provide and **COUNTY** agrees to accept the services specified herein.

COUNTY executed effective 7/1/06 Purchase Agreement CN04898 with **CONTRACTOR** in the amount of \$90,000 for the period July 1, 2006 through June 30, 2007. During the term of that Purchase Agreement, **CONTRACTOR** will provide, at the request of County, a greater number of services than originally contemplated by the Purchase Agreement, thereby incurring total expenses beyond the value of the Purchase Agreement and in excess of \$100,000. This Agreement, which is made to cancel, nullify, and supersede Purchase Agreement CN04898, provides \$140,000 for Fiscal Year 2006-2007.

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

1. **DESIGNATED REPRESENTATIVE:** Assistant Director – Administration (telephone 805.681.5220) is the representative of **COUNTY** and will administer this Agreement for and on behalf of **COUNTY**. Christopher Martinez (telephone number (805)6426208) is the authorized representative for **CONTRACTOR**. Changes in designated representatives shall be made only after advance written notice to the other party.
2. **NOTICES.** Whenever it shall become necessary for either party to serve notice on the other respecting the Agreement, such notice shall be in writing and shall be served by Registered or Certified Mail, Return Receipt Requested, addressed as follows:

A. To **COUNTY:** Director
Santa Barbara County
Alcohol, Drug, and Mental Health Services
300 N. San Antonio Road
Santa Barbara, CA 93110

To **CONTRACTOR:** Christopher Martinez, Director
Future Leaders of America
702 County Square Dr, Suite #103
Ventura, CA 93003

- B. Any such notice so mailed shall be deemed to have been served upon and received by the addressee five (5) days after deposit in the mail. Either party

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shall have the right to change the place or person to whom notice is to be sent by giving written notice to the other party of the change.

3. **SCOPE OF SERVICES. CONTRACTOR** agrees to provide services to **COUNTY** in accordance with Exhibit A attached hereto and incorporated herein by reference.
4. **TERM. CONTRACTOR** shall commence performance by **7/1/2006** and complete performance by **6/30/07**, unless this Agreement is otherwise terminated at an earlier date pursuant to Section 17.
5. **COMPENSATION OF CONTRACTOR. CONTRACTOR** shall be paid for performance under this Agreement in accordance with the terms of Exhibit B, attached hereto and incorporated herein by reference. **CONTRACTOR** shall bill **COUNTY** by invoice, which shall include the contract number assigned by **COUNTY**. **CONTRACTOR** shall direct the invoice to **COUNTY'S** "Accounts Payable Department" at the address specified under Section 2 NOTICES, after completing the increments identified in Exhibit B.
6. **INDEPENDENT CONTRACTOR. CONTRACTOR** shall perform all of its services under this Agreement as an independent **CONTRACTOR** and not as an employee of **COUNTY**. **CONTRACTOR** understands and acknowledges that it shall not be entitled to any of the benefits of a **COUNTY** employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, Workers' Compensation insurance, and protection of tenure.
7. **STANDARD OF PERFORMANCE. CONTRACTOR** represents that it has the skills, expertise, and licenses and/or permits necessary to perform the services required under this Agreement. Accordingly, **CONTRACTOR** shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which **CONTRACTOR** is engaged. All products of whatsoever nature which **CONTRACTOR** delivers to **COUNTY** pursuant to this Agreement shall be prepared in a manner which will conform to high standards of quality and shall conform to the standards of quality normally observed by a person practicing in **CONTRACTOR'S** profession. **CONTRACTOR** shall correct or revise any errors or omissions, at **COUNTY'S** request, without additional compensation. **CONTRACTOR** shall obtain and maintain all permits and/or licenses required for performance under this Agreement without additional compensation, at Contractor's own expense.
8. **NON-DISCRIMINATION. COUNTY** hereby notifies **CONTRACTOR** that Santa Barbara County's Unlawful Discrimination Ordinance (Santa Barbara County Code, Chapter 2, Article XIII) applies to this Agreement and is incorporated herein by reference with the same force and effect as if the ordinance were specifically set out herein. **CONTRACTOR** hereby agrees to comply with said ordinance.

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9. **CONFLICT OF INTEREST.** **CONTRACTOR** covenants that **CONTRACTOR** presently has no interest and shall not acquire any interest, direct or indirect, 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**.
10. **RESPONSIBILITIES OF COUNTY.** **COUNTY** shall provide all information reasonably necessary to allow **CONTRACTOR** to perform the services contemplated by this Agreement.
11. **OWNERSHIP OF DOCUMENTS.** Upon production, **COUNTY** shall be the owner of the following items incidental to this Agreement, whether or not completed: all data collected and any material necessary for the practical use of the data and/or documents from the time of collection and/or production, whether or not performance under this Agreement is completed or terminated prior to completion. **CONTRACTOR** shall be the legal owner and Custodian of Records for all **COUNTY** client files generated pursuant to this Agreement, and shall comply with all Federal and State confidentiality laws, including Welfare and Institutions Code (WIC) §5328; 42 United States Code (U.S.C.) §290dd-2; and 45 CFR, Parts 160 – 164 setting forth the Health Insurance Portability and Accountability Act of 1996 (HIPAA). **CONTRACTOR** shall inform all of its officers, employees, and agents of the confidentiality provision of said laws. **CONTRACTOR** further agrees to provide **COUNTY** with copies of all **COUNTY** client file documents resulting from this Agreement without requiring any further written release of information.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of **COUNTY**. Within HIPAA guidelines, **COUNTY** shall have the unrestricted authority to publish, disclose, distribute, and/or otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

12. **RECORDS, AUDIT, AND REVIEW.** **CONTRACTOR** shall keep those business records or documents created pursuant to this Agreement that would be kept by a reasonably prudent practitioner of **CONTRACTOR'S** profession and shall maintain such records in a manner consistent with applicable Federal and State laws. All account records shall be kept in accordance with generally accepted accounting practices. **COUNTY** shall have the right to audit and review all such documents and records, either at any time during **CONTRACTOR'S** regular business hours, or upon reasonable notice to **CONTRACTOR**. **CONTRACTOR** agrees to retain such records and documents for a period of not less than three (3) years, following the termination of this Agreement.
13. **COMPLIANCE WITH HIPAA.** **CONTRACTOR** is expected to adhere to Health Insurance Portability and Accountability Act (HIPAA) regulations and to develop and maintain comprehensive patient confidentiality policies and procedures, provide

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annual training of all staff regarding those policies and procedures, and demonstrate reasonable effort to secure written and/or electronic data. **CONTRACTOR** is considered a Business Associate per the HIPAA regulations and shall adhere to the **COUNTY** Business Associate Agreement, which is attached and included by reference and marked as Exhibit BAA. The parties should anticipate that this Agreement will be modified as necessary for full compliance with HIPAA.

14. **INDEMNIFICATION AND INSURANCE.** **CONTRACTOR** shall agree to defend, indemnify and hold harmless the **COUNTY** and to procure and maintain insurance in accordance with the provisions of Exhibit C attached hereto and incorporated herein by reference.
15. **TAXES.** **COUNTY** shall not be responsible for paying any taxes on **CONTRACTOR'S** behalf, and should **COUNTY** be required to do so by State, Federal, or local taxing agencies, **CONTRACTOR** agrees to reimburse **COUNTY** within one (1) week for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but are not limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and Workers' Compensation insurance.
16. **DISPUTE RESOLUTION.** Any dispute or disagreement arising out of this contract shall first be addressed and resolved at the lowest possible staff level between the appropriate representatives of the **CONTRACTOR** and of the **COUNTY**. If the dispute or disagreement cannot be resolved at this level, it is to be elevated to the **CONTRACTOR'S** Program Manager and **COUNTY'S** relevant Program Manager. If the Managers cannot resolve the dispute, they are to take the following actions:
 - A. Decision – Each party shall reduce the dispute to writing and submit to the appropriate ADMHS Assistant Director. The Assistant Director shall assemble a team to investigate the dispute and to prepare a written decision. This decision shall be furnished to the **CONTRACTOR** within thirty (30) days of receipt of the dispute documentation. This decision shall be final unless appealed within ten (10) days of receipt.
 - B. Appeal – The **CONTRACTOR** may appeal the decision to the Santa Barbara **COUNTY** Alcohol, Drug, and Mental Health Services Director or designee. The decision shall be put in writing within twenty (20) days and a copy thereof mailed to the **CONTRACTOR'S** address for notices. The decision shall be final.
 - C. Continued Performance - Pending final decision of the dispute hereunder, **CONTRACTOR** shall proceed diligently with the performance of this Agreement.
 - D. Dispute Resolution - The finality of appeal described herein is meant to imply only that recourse to resolution of disputes through this particular dispute resolution mechanism has been concluded. This is in no way meant to imply that the parties have agreed that this mechanism replaces either party's rights to

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have its disputes with the other party heard and adjudicated in a court of competent jurisdiction.

17. TERMINATION.

A. By **COUNTY**. **COUNTY**, by written notice to **CONTRACTOR**, may terminate this Agreement in whole or in part at any time, whether for **COUNTY** convenience or because of the failure of **CONTRACTOR** to fulfill the obligations herein. Upon termination, **CONTRACTOR** shall deliver to **COUNTY** all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by **CONTRACTOR** in performing this Agreement, whether completed or in process.

1. For Convenience. **COUNTY** may terminate this Agreement upon thirty (30) days written notice. Following such notice of termination, **CONTRACTOR** shall notify **COUNTY** of the status of its performance and cease work at the conclusion of the 30 day notice period.

Notwithstanding any other payment provision of this Agreement, **COUNTY** shall pay **CONTRACTOR** for 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 maximum budgeted amount for this Agreement as set forth in Exhibit B, or paid 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.

2. 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 this Agreement by written notice which shall be effective upon receipt by **CONTRACTOR**.

B. By **CONTRACTOR**. **CONTRACTOR** may, upon thirty (30) days written notice to **COUNTY**, terminate this Agreement in whole or in part at any time, whether for **CONTRACTOR'S** convenience or because of the failure of **COUNTY** to fulfill the obligations herein. Following notice of such termination, **CONTRACTOR** shall promptly cease work and notify **COUNTY** as to the status of its performance.

18. **ENTIRE AGREEMENT, AMENDMENTS, AND MODIFICATIONS.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties. 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 amended or modified only by the written mutual consent of the parties hereto. Any amendments or modifications that do not exceed

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ten percent (10%) of the Agreement's original dollar amount may be approved by the director of Alcohol, Drug & Mental Health Services. The Board of Supervisors of the County of Santa Barbara must approve all other amendments and modifications. Each party waives its 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.

19. **NON-EXCLUSIVE AGREEMENT.** **CONTRACTOR** understands that this is not an exclusive Agreement and that **COUNTY** shall have the right to negotiate and enter into contracts with others providing the same or similar services as those provided by **CONTRACTOR** as the **COUNTY** desires.
20. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of or for the benefit of any or all parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.
21. **ASSIGNMENT.** **CONTRACTOR** shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of **COUNTY**. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.
22. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder, now or hereafter existing at law or in equity or otherwise.
23. **NO WAIVER OF DEFAULT.** No delay or omission of the parties to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the parties shall be exercised from time-to-time and as often as may be deemed expedient in the sole discretion of either party.
24. **CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in State Court, or in the Federal District Court nearest to Santa Barbara County, if in Federal Court.
25. **COMPLIANCE WITH LAW.** **CONTRACTOR** shall, at his sole cost and expense, comply with all County, State and Federal ordinances and statutes 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** be a party thereto or not, that **CONTRACTOR** has violated any such ordinance or statute, shall be conclusive of that fact as between **CONTRACTOR** and **COUNTY**.

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26. **SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.
27. **SEVERABILITY.** If any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof. Such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
28. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts. Each counterpart 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.
29. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement, and each covenant and term is a condition herein.
30. **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and have complied with all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement. Furthermore, by entering into this Agreement, **CONTRACTOR** hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which **CONTRACTOR** is obligated, which breach would have a material effect hereon.
31. **PRECEDENCE.** In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.
32. **COMMUNICATION.** **CONTRACTOR** shall acknowledge in any public announcement regarding the program that is the subject of this Agreement that Santa Barbara County Alcohol, Drug, and Mental Health Department provides all or some of the funding for the program.
33. **PRIOR AGREEMENTS.** Upon execution, this Agreement supersedes all prior Mental Health Services agreements between **COUNTY** and **CONTRACTOR**.
34. **COURT APPEARANCES.** Upon request, **CONTRACTOR** shall cooperate with **COUNTY** in making available necessary witnesses for court hearings and trials, including **CONTRACTOR'S** staff that have provided treatment to a client referred by **COUNTY** who is the subject of a court proceeding. **COUNTY** shall issue Subpoenas for the required witnesses upon request of **CONTRACTOR**.

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35. **NONAPPROPRIATION.** In the event that no funds, or insufficient funds, are appropriated, budgeted, or otherwise made available, **COUNTY** will immediately notify **CONTRACTOR** of such occurrence and the Agreement may be terminated by **COUNTY**. Subsequent to the termination of this agreement under this provision, **COUNTY** shall have no obligation to make payments with regard to the remainder of the term.

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THIS AGREEMENT INCLUDES:

- A. EXHIBIT A – Statement of Work
- B. EXHIBIT B - Payment Arrangements
- C. EXHIBIT B-1 – Schedule of fees
- D. EXHIBIT C – Standard Indemnification and Insurance Provisions
- E. EXHIBIT BAA – HIPAA Business Associate Agreement

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Agreement for Services of Independent **CONTRACTOR** between the County of Santa Barbara and Future Leaders of America.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by **COUNTY**.

COUNTY OF SANTA BARBARA

By: _____
Chair, Board of Supervisors
Date: _____

CONTRACTOR

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____
Deputy

By: _____
Tax Id No 770071036

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED AS TO FORM :
ALCOHOL, DRUG, AND MENTAL HEALTH
SERVICES
JAMES L. BRODERICK, Ph.D.
DIRECTOR

APPROVED AS TO INSURANCE FORM:
RAY AROMATORIO
RISK PROGRAM ADMINISTRATOR

By: _____
Director

By: _____

CONTRACT SUMMARY

BC _____

Complete data below, print, obtain signature of authorized departmental representative, and submit this form (and attachments) to the Clerk of the Board (>\$25,000) or Purchasing (<\$25,000). See also "Contracts for Services" policy. Form is not applicable to revenue contracts.

D1. Fiscal Year 06-07
 D2. Budget Unit Number (plus –Ship/Bill codes in parenthesis) 043
 D3. Requisition Number.....
 D4. Department Name..... Alcohol, Drug, and Mental Health Services
 D5. Contact Person Jack Juntunen
 D6. Telephone (805) 681-4090

K1. Contract Type (check one): Personal Service ρ Capital
 K2. Brief Summary of Contract Description/Purpose..... Prevention and Safe & Drug free schools.
 K3. Contract Amount \$140000
 K4. Contract Begin Date..... 7/1/2006
 K5. Contract End Date 6/30/07
 K6. Amendment History (leave blank if no prior amendments).....

Seq#	EffectiveDate	ThisAmndtAmt	CumAmndtToDate	NewTotalAmt	NewEndDate	Purpose
1	7/01/06	\$50,000	\$50,000	\$140,000	6/30/07	Increase services

K7. Department Project Number :
 B1. Is this a Board Contract? (Yes/No)..... Yes
 B2. Number of Workers Displaced (if any) N/A
 B3. Number of Competitive Bids (if any)..... N/A
 B4. Lowest Bid Amount (if bid) N/A
 B5. If Board waived bids, show Agenda Date..... N/A
 and Agenda Item Number
 B7. Boilerplate Contract Text Unaffected? (Yes / or cite Paragraph)

F1. Encumbrance Transaction Code..... 1701
 F2. Current Year Encumbrance Amount \$140000
 F3. Fund Number 0044
 F4. Department Number..... 6100
 F5. Division Number (if applicable)
 F6. Account Number 7460
 F7. Cost Center number (if applicable) 6250
 F8. Payment Terms.....

V1. Vendor Numbers (A=Auditor; P=Purchasing).....
 V2. Payee/**CONTRACTOR** Name Future Leaders of America
 V3. Mailing Address 702 County Square Dr, Suite #103
 V4. City State (two-letter) Zip (include +4 if known) Ventura, CA 93003
 V5. Telephone Number..... 8056426208
 V6. **CONTRACTOR's** Federal Tax ID Number (EIN or SSN) 770071036
 V7. Contact Person..... Christopher Martinez
 V8. Workers Comp Insurance Expiration Date 10/1/2006
 V9. Liability Insurance Expiration Date[s] (G=Genl; P=Profl)..... G 3/17/2007, P N/A
 V10. Professional License Number.....
 V11. Verified by (name of **COUNTY** staff) Jack Juntunen
 V12. Company Type (Check one): ρ individual ρ Sole Proprietorship π Partnership Corporation

I certify information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date: _____ Authorized Signature: _____

EXHIBIT A

STATEMENT OF WORK

1. **CONTRACTOR** agrees to provide the following services (“Projects”), to include, but not be limited to:
 - A. **PRIMARY PREVENTION-Alternatives (Service Code 14):** This strategy provides for the participation of target populations in activities that exclude alcohol, tobacco and other drug use. The assumption is that constructive and healthy activities offset the attraction to, or otherwise meet the needs usually filled by, alcohol, tobacco and other drugs and would, therefore, minimize or obviate resorting to the latter.
 1. Services will be provided at the following sites:
 - a) Santa Maria to include Santa Maria High School, Righetti High School, Pioneer High School; Santa Ynez Valley to include Santa Ynez High School and the Carpinteria and Lompoc areas.
 2. **CONTRACTOR** shall provide leadership activities for youth from Santa Maria, Carpinteria, Lompoc and Santa Ynez Valley.
 - a) The activities shall include: Future Leaders Camp; alcohol and other drug (AOD) assessments in Santa Maria; and the development of new Future Leaders of America Master Achievers (FLAMA) groups in Lompoc and Santa Ynez Valley.
 - b) FLA will also organize a 12 – 15 member coalition comprised of both youth and adults to address the issues of limiting the access of youth to alcohol in Santa Maria.
 - c) FLA will develop and coordinate the Carpinteria Youth Leadership Council to address youth access to alcohol in Carpinteria.
 3. **CONTRACTOR** agrees to comply with the performance measures and program deliverables developed jointly with **COUNTY**.
 4. **CONTRACTOR** shall comply with any match requirements as described in Exhibit B, Item 6, MATCH REQUIREMENTS.
 - B. **SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES (SDFSC) GRANT – PRIMARY PREVENTION - Environmental Approaches (Service Code 17):** This strategy establishes or changes written and unwritten community standards, codes and attitudes, thereby influencing incidence and prevalence of the abuse of alcohol, tobacco, and other drugs used in the general population. This strategy can be divided into two subcategories to permit distinction between activities which center on:
 1. Legal and regulatory initiatives related to “environmental” work our providers do in the community to change the “environment” via legal and regulatory initiatives. This would involve things like passing an ordinance to mandate “no drinking” signs in a park in order to reduce public drunkenness and aid

EXHIBIT A

enforcement, or passing a school policy that anyone who drinks alcohol at school will attend a class with their parents, and

2. Service and action-oriented initiatives relating to things like mentoring programs (services), or actions such as “every parent of a Club Live student will take a pledge their teen will not attend parties where alcohol is served.” (action-oriented).

C. Services will be provided at the following site(s)

a) Santa Maria Valley.

- (1) SDFSC REQUIREMENT: In accepting SDFSC Grant funding **CONTRACTOR** agrees to comply with all the provisions outlined in the grant including but not limited to the: General Terms and Conditions; Assurances; Certification – Debarment, Suspension, and other Responsibility Matters; Certification – Drug Free Workplace; and Flow Down Requirements as more fully described in the Provider Workbook.

2. **PROVIDER WORKBOOK.** **COUNTY** will continually develop the Provider Workbook that may include performance measures, a description of service, program deliverables, complete budget including staffing, monitoring of client abstinence; and a cultural competency plan for staff.
3. **REQUIRED NOTIFICATION.** In providing services to youth under this Agreement, **CONTRACTOR** will notify **COUNTY** immediately of any legal suits, criminal investigation or any other action being initiated against **CONTRACTOR** or affects **CONTRACTOR’S** license or practice, for example, sexual harassment accusations.
4. **INTERNAL REVIEWS.**
 - A. **CONTRACTOR** agrees that the ADMHS-Director or designee, state or federal agencies may review and investigate books, records, manuals, procedures, or other documents regarding performance of this contract. **COUNTY** will conduct monitoring and evaluation of **CONTRACTOR’S** program on a regular ongoing basis, and **CONTRACTOR** agrees to participate fully in that process. Such record reviews conducted during the term of this agreement will be held with or without advance notice during normal business hours. **CONTRACTOR** agrees to participate in quality assurance programs conducted by **COUNTY**.
 - B. Periodic review meetings between **CONTRACTOR’S** staff and **COUNTY** staff shall be held on administrative, fiscal and overall contract monitoring and staff performance activity. **COUNTY** contract monitoring staff, and/or **COUNTY** manager, or designee, shall conduct periodic on-site reviews of **CONTRACTOR’S** program and documentation.
5. **CONFIDENTIALITY OF RECORDS.**
 - A. **CONTRACTOR** agrees that all information and records obtained in the course of providing services to clients shall be subject to the confidentiality and disclosure provisions pursuant to State statutes, Title 4 Code of Federal Regulations (CFR) Part 2, Welfare & Institutions Code (W&IC) §14100.2; §11977, Division 10.5 of the

EXHIBIT A

Health and Safety Code (HSC); and Title 22 California Code of Regulations (CCR) §51009.

- B. **CONTRACTOR** further agrees to adhere to Health Insurance Portability and Accountability Act (HIPAA) regulations and to develop and maintain comprehensive patient confidentiality policies and procedures, provide annual training of all staff regarding those policies and procedures, and demonstrate a reasonable effort to secure written and/or electronic data. **CONTRACTOR** shall anticipate that this Agreement will be modified as necessary for full compliance with HIPAA.
- C. **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 Title 42 CFR Part 2; W&IC §14100.2; HSC §11977; and Title 22 CCR §51009.
6. **CERTIFICATION.** **CONTRACTOR** certifies that neither **CONTRACTOR** nor **CONTRACTOR'S** principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any Federal department or agency.
7. **REQUIRED REPORTING FORMS.** In accepting Negotiated Net Amount (NNA) prevention and/or Safe and Drug Free Schools and Communities (SDFSC) funds from **COUNTY**, **CONTRACTOR** agrees to submit the following reports, if applicable, to **COUNTY** by the 10th day of the month following the date of service: 1) monthly and quarterly California Outcomes Measurement System – Prevention (CalOMS); 2) quarterly Safe and Drug Free Schools and Communities (SDFSC) narrative and financial report; 3) NNA quarterly and annual narrative; and 4) monthly mentoring and/or school based reports.
8. **UNION ORGANIZING.** In accepting Federal or state funds, **CONTRACTOR** will not assist, promote, or deter union organizing.
9. **RESTRICTIONS ON LOBBYING.** No part of any Federal funds shall be used to support lobbying activities to influence proposed or pending Federal or State legislation or appropriations.
10. **RESTRICTIONS ON SALARIES.** No part of Federal funds shall be used to pay the salary of an individual at a rate in excess of \$171,900 per year.
11. **LIMITATION OF USE OF FUNDS FOR PROMOTION OF LEGALIZATION OF CONTROLLED SUBSTANCES.** **CONTRACTOR** may not use funds made available through this contract for the promotion of the legalization of any drug or other substance.
12. **PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.** **CONTRACTOR** should purchase American-made equipment and products to the best extent possible.
13. **DRUG / SMOKE FREE WORKPLACE.** **CONTRACTOR** certifies under the laws of the State of California that **CONTRACTOR** will comply with the requirements of the

EXHIBIT A

Drug Free Work Place Act of 1990 (Gov. Code §8350 et seq.) and all local and state ordinances pertaining to the use of tobacco, including Labor Code 6404.5 and the Pro-Children Act of 1994 (20 U.S.C. §§6081, 6082, 6083 and 6084) which requires enclosed workplaces to be smoke-free.

14. **NO UNLAWFUL USE OR UNLAWFUL USE MESSAGES REGARDING DRUGS OR ALCOHOL.** CONTRACTOR agrees that any information including written statements produced with these funds, and which pertains to drug-and alcohol-related projects, events or 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. (HSC §11999).

EXHIBIT B

PAYMENT ARRANGEMENTS Negotiated Net Amount (NNA)

1. For services to be rendered under this Agreement **CONTRACTOR** shall be paid at the rate specified on **Exhibit B-1 and the Provider Workbook**, for a total provisional contract amount (including cost reimbursements), not to exceed an amount of **\$140,000** for all Projects described in Exhibit A and in the Provider Workbook.

COUNTY'S obligation shall in no event exceed **\$140,000** for the term of this Agreement, less any cost adjustments (based on the final year-end cost report), and match requirements (per this Exhibit B, Item 6).

2. **MAINTENANCE OF EFFORT.**

- A. **CONTRACTOR** certifies that **CONTRACTOR** will maintain services, programs, and activity levels that existed prior to receipt of funds under this Agreement. Any state and/or federal funds, including Substance Crime Prevention Act (SACPA) funds, received by **CONTRACTOR** under this agreement will supplement, not supplant, pre-existing expenditures for drug treatment, prevention, ancillary services, or any other services that may be funded by **COUNTY**.

- B. In accordance with Title 9 CCR §9530(j) (2), **COUNTY** shall monitor **CONTRACTOR'S** program(s) and document activities to ensure that funds received by **CONTRACTOR** are not used to supplant funds from any existing fund source or mechanism currently used to provide drug treatment services in the county.

- C. **CONTRACTOR** is specifically prohibited from using funds from any other source, public or private, to pay **CONTRACTOR'S** actual reasonable and necessary costs incurred for each "Project" during the term of this contract or up to the time of termination or cancellation of this contract, or any "Project" contained herein as described in Exhibit A. Violation of this provision or use of **COUNTY'S** funds for purposes other than described in Exhibit A shall constitute a material breach of this contract.

- D. Funds made available from **COUNTY**, under this Agreement, shall be expended only as indicated in the Provider Workbook, Exhibit A, this Exhibit B and Exhibit B-1, and shall be the sole source of funds paying for the positions, staffing levels, and operational and other costs as contained in the services described in Exhibit A.

3. **ALLOWABLE COSTS AND ACTIVITIES.** **COUNTY** shall pay **CONTRACTOR**, for the services **CONTRACTOR** provides hereunder, based on **CONTRACTOR'S** actual reasonable, necessary, and allowable costs incurred for each Project during the term of this contract, or up to the time of termination or cancellation of this Agreement for any Project contained herein, as described in Exhibit A, and in the manner shown on the invoice and in **CONTRACTOR'S** budget included in the Provider Workbook. Payment for services and/or reimbursement of **CONTRACTOR'S** costs shall be made upon **CONTRACTOR'S** satisfactory performance, based upon the scope and methodology, costs, expenses, overhead charges, hourly rates for personnel, as reported on **CONTRACTOR'S** invoices, budgets, and cost reports and as shown in the Provider Workbook. Invoices **CONTRACTOR** submits to **COUNTY** for payment must contain sufficient detail and supporting documentation to enable an audit of the charges.

EXHIBIT B

- A. In accordance with Title 9 CCR §9530, **CONTRACTOR** will obtain written approval from **COUNTY** prior to commencement of any alterations and/or renovation, construction, leasehold improvements, and equipment purchases. In no event will **CONTRACTOR** use state or federal funds to purchase land or purchase or construct buildings.
- B. With the exception of specific requirements included in (g), (h) and (i) of §9530 (Title 9 CCR) determination of allowable and allocable costs for SACPA funding shall be made utilizing the guidelines contained in SACPA and in cost principles published by the Federal Office of Management and Budget (OMB). **CONTRACTOR** agrees to follow Federal OMB Circular A 122, "Cost Principles for Non-Profit Organizations."
4. **PROPER INVOICE.** Monthly (prior to the tenth day of the month following service) **CONTRACTOR** shall submit an electronic invoice to **COUNTY** (adpfinance@co.santa-barbara.ca.us) that is supplied by **COUNTY**, for the services performed over the period specified. **CONTRACTOR** must report match funds and "Project" costs to **COUNTY** by location for each "Project", broken down by type of service (modality) and unit of service (i.e. hours/bed days/slot days). **CONTRACTOR'S** monthly invoice shall be accompanied by all client and service delivery information required by **COUNTY** and the State ADP Submission of **CONTRACTOR'S** electronic invoice to **COUNTY** certifies that **CONTRACTOR** has read, understands and agrees to the following terms printed on the invoice:

"I hereby certify that all units of service, assessed client fees, and clients reported are true and are for purposes in accordance with agreements set forth in the awarded contract. The contract agency, to the best of its knowledge, has fully complied with the terms and conditions of said contract."

5. **PAYMENT PROCESSING.**

- A. **COUNTY** will evaluate the electronic monthly invoice **CONTRACTOR** submits to **COUNTY**. If the cost for the service provided is determined to be appropriate, in accordance with Exhibit A, and the Provider Workbook, then payment processing will be initiated. In no event shall service units from one month be shifted, added to, or included with another monthly invoice. **COUNTY** shall pay **CONTRACTOR'S** monthly invoice(s) for satisfactory work within thirty - (30) days of presentation.
- B. Subject to **COUNTY'S** approval of **CONTRACTOR'S** invoice, **COUNTY** shall reimburse **CONTRACTOR** based on the actual costs, less any client fees collected.
1. **OTHER THAN SDFSC SERVICES:** **COUNTY** will pay an amount not to exceed 1/12th (or the appropriate proportion of the year contracted) of the contract amount, or as negotiated.
- a. In the event **CONTRACTOR** reports actual costs that exceed 10% of the maximum monthly allowable amount, **CONTRACTOR** shall provide **COUNTY** a written explanation. Every three months (quarterly) **COUNTY** shall reconcile payments to **CONTRACTOR** based on the actual costs and client fees collected and reported by **CONTRACTOR**. In no event shall the quarterly adjustment exceed the maximum allowable amount.

EXHIBIT B

- b. Based on **CONTRACTOR'S** monthly invoice and subject to the monthly maximum payment limitation, if it is determined that **COUNTY** made an error or omission in **COUNTY'S** payment to **CONTRACTOR**, **COUNTY** shall, upon receipt of **CONTRACTOR'S** next monthly invoice, correct and include in this invoice any adjustments.
 2. **FOR SDFSC SERVICES.** **CONTRACTOR** will be paid monthly based on the actual costs and expenses incurred and reported to **COUNTY**. Each quarter based on expenditure reports submitted by **CONTRACTOR**, **COUNTY** will reconcile and adjust the payment. Payment to **CONTRACTOR** for SDFSC services is not subject to the 1/12th amount as described in item B1 above.
 - C. Any invoice(s) that **COUNTY** identifies as having errors or omissions shall be immediately returned to **CONTRACTOR** for correction.
 - D. If **CONTRACTOR** discovers any errors in **CONTRACTOR'S** monthly invoices, **CONTRACTOR** shall report them to **COUNTY**, regardless if they are monetary or not. In the event **CONTRACTOR** identifies a reporting error on a monthly invoice already submitted to **COUNTY**, **CONTRACTOR** will notify **COUNTY** immediately of the error. Any corrections to the current monthly invoice shall be corrected by **CONTRACTOR** and returned to **COUNTY** within thirty- (30) days, or prior to submitting **CONTRACTOR'S** next monthly invoice, whichever is sooner. Upon **CONTRACTOR'S** review and approval, **COUNTY** shall accept the revised invoice as the final monthly invoice. Any modifications, errors or omissions that **CONTRACTOR** fails to report to **COUNTY** within the time period specified above, shall NOT be processed by **COUNTY**, but will be considered and included by **COUNTY** when the final adjustments are made to **CONTRACTOR'S** year-end cost report.
 - E. **CONTRACTOR** shall furnish **COUNTY** such financial information necessary for **COUNTY** to determine the reasonable value of the services rendered. In the event of a dispute as to the reasonable value of **CONTRACTOR'S** services **COUNTY'S** decision shall be final. **COUNTY'S** failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of **COUNTY'S** right to require **CONTRACTOR** to correct such work or billings, or seek any other legal remedy.
6. **MATCH REQUIREMENTS.**
- A. In accepting funding from **COUNTY**, **CONTRACTOR** agrees to provide a match per the Provider Workbook. Such matching funds shall be:
 1. separately identified for audit purposes;
 2. used to supplement and/or enhance program services as described in Exhibit A;
 3. identified and reported to **COUNTY** on **CONTRACTOR'S** monthly invoice, in the Provider Workbook, and on **CONTRACTOR'S** annual year-end cost report.

EXHIBIT B

B. **COUNTY** shall monitor to assure that **CONTRACTOR'S** match requirements, however executed, are coordinated in a manner that avoids duplication, ensures that **CONTRACTOR** has accounted for them, and that they are used to supplement and/or enhance the program services funded hereunder.

7. **COUNTY'S DESIGNATED REPRESENTATIVE:**

ADMHS-Alcohol and Drug Program
Attn: Al Rodriguez, Assistant Director
ADMHS-Alcohol and Drug Program
300 North San Antonio Road
Santa Barbara, CA 93110

8. **AUDITS.** **CONTRACTOR** agrees to furnish **COUNTY** an audit report annually that is executed by a Certified Public Accountant or Public Accountant. Audits shall be conducted in accordance with generally accepted auditing standards (per Title 9 CCR §9545(b) as described in but not limited to:

A. "Government Auditing Standards (1994 Revision)," published for the United States General Accounting Office by the Comptroller General of the United States and performed in accordance with Federal Office of Management and Budget (OMB) Circular A-133 (revised June 24, 1997),

B. Federal OMB Circular A-122 which applies to nonprofit organizations; and

C. **CONTRACTOR** agrees to provide **COUNTY** with copies of any findings from any outside financial audit report of **CONTRACTOR'S** programs, pursuant to State of California, Federal OMB Circulars A-133.

D. In the event **CONTRACTOR** receive and expend \$300,000, or more in federal funds (excluding Drug Medi-Cal) **CONTRACTOR** is mandated to purchase and submit to **COUNTY** a single audit report, performed by a Certified Public Accountant or Public Accountant to ensure compliance with the SACPA provisions, the requirements in Title 9 CCR §9545(a) and the terms and conditions under which **COUNTY** awarded funds to **CONTRACTOR**. (Authority Title 9 CCR §9545, and Federal OMB Circular A 133).

E. Notwithstanding the above, if **CONTRACTOR** is required to obtain a single audit pursuant to Federal OMB Circular A-133, and/or if **CONTRACTOR** receives funding under SACPA, **CONTRACTOR** shall ensure that the single audit addresses compliance with the requirements of Title 9 CCR §9545(g). **COUNTY** may rely on **CONTRACTOR'S** single audit as fulfilling the audit responsibilities in §9545(a) of Title 9 CCR.

F. In receiving state and/or federal funds from **COUNTY**, including SACPA, **CONTRACTOR** agrees to submit **CONTRACTOR'S** audit work papers including supporting documents to **COUNTY** within 20 (twenty) days of completion, but no later than seven (7) months after the end of each fiscal year ending June 30, in accordance with Title 9 CCR §9545(h). Audits (including work papers supporting the report) shall be retained for a minimum of **five (5) years** from the issuance of the audit report and will be available to the State upon request.

G. **COUNTY** shall use the audit reports to establish whether **CONTRACTOR** expended funds in accordance with: the provisions of state and federal guidelines, the

EXHIBIT B

provisions of SACPA [Title 9 CCR §9545(b)], and the terms and conditions under which **COUNTY** awarded funds to **CONTRACTOR**.

- H. **COUNTY** shall retain all records documenting use of funds for a period of **five (5) years** from the end of the fiscal year, or until completion of the state's annual audit and resolution of any resulting audit issues if the audit is not resolved within five (5) years in accordance with Title 9 CCR §9535(e).
 - I. **COUNTY** shall establish a process to resolve disputed findings resulting from **COUNTY'S** own audit of **CONTRACTOR**. Should it be determined, based on any audit findings, that **CONTRACTOR** has misspent funds, or that **CONTRACTOR'S** reported costs fail to support costs that **COUNTY** already paid, **COUNTY** shall demand repayment from **CONTRACTOR** in the amount of such audit findings. Unless negotiated otherwise, **CONTRACTOR** is mandated to remit to **COUNTY** any excess and/or overpayment amounts within thirty - (30) days of **COUNTY'S** demand.
9. **ANNUAL COST REPORT.** At the end of the fiscal year, (period of July 1 through June 30), or any portion thereof, **CONTRACTOR** shall prepare a cost report for this contract, detailing all the allowable costs that have actually been incurred by **CONTRACTOR** in the performance of the contract(s).
- A. Each "Project" contained herein shall be adequately identified and described in the cost report. Such cost report shall be prepared in accordance with the cost reporting requirements of the State Alcohol and Drug Program and in accordance with any other forms and written guidelines, which may be provided by **COUNTY**. At a minimum, such cost report shall reflect the actual expenditures relative to the original line item amounts declared in **CONTRACTOR'S** budget(s) and workbook(s). The cost report shall be submitted to **COUNTY** within **sixty (60)** days following the end of the fiscal year, ending June 30.
 - 1. If this Agreement is terminated or canceled prior to the close of the fiscal year, the annual cost report shall be for that contract period which ends on the termination or cancellation date, and copies of such report shall be submitted to **COUNTY** within sixty (60) days after such termination or cancellation.
 - 2. If any "Project" contained in this Agreement is terminated or canceled prior to the close of the fiscal year, a separate cost report shall not be required; however, all cost information pertaining to the terminated or canceled "Project(s)" shall be contained in the annual cost report. Payment of all or part of **CONTRACTOR'S** final invoice shall be held pending **COUNTY'S** review and approval of the annual cost report.
10. **ANNUAL COST REPORT SETTLEMENT.** **COUNTY** shall provide **CONTRACTOR** a copy of **CONTRACTOR'S** final year-end cost report along with a formal letter of our findings, within ninety (90) days of **COUNTY'S** submission to the state.

EXHIBIT B

- A. If the cost report shows that the allowable costs that have actually been incurred by **CONTRACTOR**, under this Agreement, exceed the payments made by **COUNTY**, **COUNTY** may remit any such excess amount to **CONTRACTOR**, provided that the payments made, together with any such excess amount, shall not exceed the total contract payment limit.
- B. If it is determined, by **COUNTY** or state, that the annual cost report, audit of the cost report, or **CONTRACTOR'S** other financial records show that under this Agreement: the payments made by **COUNTY** exceeded the allowable costs that have actually been incurred by **CONTRACTOR**; that **CONTRACTOR'S** costs were disallowed; that costs are not supported by **CONTRACTOR'S** service delivery and; that profit was realized on unperformed portions of **CONTRACTOR'S** service, **CONTRACTOR** shall be required to remit any such excess amount to **COUNTY**, or **COUNTY** may credit such sum against any monies due **CONTRACTOR** under this or any other contract.

11. FINAL COST REPORT ADJUSTMENTS TO CONTRACT.

- A. In the event **CONTRACTOR'S** cost report did not support **CONTRACTOR'S** actual costs for services delivered or units of service, or **CONTRACTOR'S** actual costs failed to support **CONTRACTOR'S** service delivery resulting in an overpayment by **COUNTY**, **CONTRACTOR** will be required to refund the overpayment to **COUNTY**. Additionally, based on the cost report, **CONTRACTOR'S** cost per unit of service shall be reduced on this Agreement to reflect the lower cost.
- B. **COUNTY** will review and evaluate each "Project" contracted under this Agreement and compare the cost of service (including rates, units of service, and provisional amounts) with **CONTRACTOR'S** prior year-end cost report. Based on **COUNTY'S** findings, subsequent notification to **CONTRACTOR**, and mutual agreement, **COUNTY** shall adjust this Agreement to reflect the actual service costs, including but not limited to the service units, rate, and provisional amount as reported on **CONTRACTOR'S** prior year-end cost report.

EXHIBIT B-1

EXHIBIT B-1

NNA SCHEDULE OF SERVICES

The program services, as listed below and in Exhibit A and in the Provider Workbook, will be reimbursed according to rates shown on **COUNTY'S** invoice and in the Provider Workbook. Specific services shall conform to California Department of Alcohol and Drug Programs service code as defined in Exhibit A.

TYPE OF SERVICE	TERM	Total Provisional Contract Amount
PRIMARY PREVENTION: Alternatives (Service Code 14) and Environmental (Service Code 17) Leadership Projects	07/01/06 to 06/30/07	\$102,500
SDFSC: Environmental (Service Code 17) Project Access Coalition	07/01/06 to 06/30/07	\$37,500
TOTAL ADP FUNDS		\$140,000
The negotiated rate, units of service and maximum monthly billable amount is reflected on COUNTY'S invoice form and is based upon CONTRACTOR'S program budget, prior year cost report, and contract negotiations with COUNTY all contained in the Provider Workbook CONTRACTOR developed with COUNTY .		
<u>MATCH FUNDS</u>		
CONTRACTOR'S program may require Matching Funds as outlined in CONTRACTOR'S proposal. Any modification in the amount, method or source of match funds needs to be approved by COUNTY .		

EXHIBIT C

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts NOT REQUIRING professional liability insurance

I. INDEMNIFICATION

Indemnification pertaining to other than Professional Services:

CONTRACTOR shall defend, indemnify and save harmless the **COUNTY**, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to: any act or omission to act on the part of the **CONTRACTOR** or his agents or employees or other independent **CONTRACTORS** directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the **COUNTY**.

CONTRACTOR shall notify the **COUNTY** immediately in the event of any accident or injury arising out of or in connection with this Agreement.

CONTRACTOR shall notify the **COUNTY** immediately in the event of any accident or injury arising out of or in connection with this Agreement.

2. INSURANCE

Without limiting the **CONTRACTOR'S** indemnification of the **COUNTY**, **CONTRACTOR** shall procure the following required insurance coverages at its sole cost and expense. All insurance coverage is to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the **COUNTY**. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place **CONTRACTOR** in default. Upon request by the **COUNTY**, **CONTRACTOR** shall provide a certified copy of any insurance policy to the **COUNTY** within ten (10) working days.

Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all **CONTRACTOR'S** staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the **COUNTY**. In the event **CONTRACTOR** is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if **CONTRACTOR** has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and **CONTRACTOR** submits a written statement to the **COUNTY** stating that fact.

EXHIBIT C

General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of **CONTRACTOR** and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the **CONTRACTOR** in the indemnity and hold harmless provisions of the Indemnification Section of this Agreement between **COUNTY** and **CONTRACTOR**. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of **CONTRACTOR** pursuant to **CONTRACTOR'S** activities hereunder. **CONTRACTOR** shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. **COUNTY**, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000, per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000, requires approval by the **COUNTY**.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

*"Such insurance as is afforded by this policy shall be primary and if the **COUNTY** has other valid and collectible insurance, that other insurance shall be excess and non-contributory."*

If the policy providing liability coverage is on a 'claims-made' form, the **CONTRACTOR** is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this agreement. Said policy or policies shall provide that the **COUNTY** shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

CONTRACTOR shall submit to the office of the designated **COUNTY** representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. **COUNTY** shall maintain current certificate(s) of insurance at all times in the office of the designated **COUNTY** representative as a condition precedent to any payment under this Agreement. Approval of insurance by **COUNTY** or acceptance of the certificate of insurance by **COUNTY** shall not relieve or decrease the extent to which the **CONTRACTOR** may be held responsible for payment of damages resulting from **CONTRACTOR'S** services of operation pursuant to the contract,

EXHIBIT C

nor shall it be deemed a waiver of **COUNTY'S** rights to insurance coverage hereunder.

3. In the event the **CONTRACTOR** is not able to comply with the **COUNTY'S** insurance requirements, **COUNTY** may, at their sole discretion and at the **CONTRACTOR'S** expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the **COUNTY**. The **COUNTY'S** Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable and based on changed risk of loss or in light of past claims against the **COUNTY** or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of **COUNTY'S** risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. **CONTRACTOR** agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

EXHIBIT BAA

HIPAA Business Associate Agreement

Future Leaders of America

1. Use and Disclosure of Protected Health Information

Except as otherwise provided in this Exhibit, the Contractor may use or disclose protected health information (“PHI”)¹ to perform functions, activities or services for or on behalf of the County, as specified in the underlying agreement, provided that such use or disclosure does not violate HIPAA or other law. The uses and disclosures of PHI may not exceed the limitations applicable to the County under the regulations except as authorized for management, administrative or legal responsibilities of the Contractor. PHI includes without limitation “Electronic Protected Health Information” (“EPHI”)².

2. Further Disclosure of PHI

The Contractor shall not use or further disclose PHI other than as permitted or required by the underlying Agreement, or as required by law.

3. Safeguarding PHI

The Contractor shall use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by the underlying Agreement. Contractor shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of EPHI that Contractor creates, receives, maintains or transmits on behalf of County. The actions taken by the Contractor to safeguard EPHI shall include, but may not be limited to:

- a. Encrypting EPHI that it stores and transmits;
- b. Implementing strong access controls, including physical locks, firewalls, and strong passwords;
- c. Using antivirus software that is upgraded regularly;
- d. Adopting contingency planning policies and procedures, including data backup and disaster recovery plans; and
- e. Conducting periodic security training.

4. Unauthorized Use or Disclosure of PHI

The Contractor shall report to the County any use or disclosure of the PHI not provided for by the underlying Agreement or otherwise in violation of the Privacy Rule or Security Rule. Contractor shall report to County any security incidents within 10days of becoming aware of such incidents. For purposes of this

¹ “Protected Health Information” means individually identifiable health information including, without limitation, all information, data, documentation and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

² “Electronic Protected Health Information” means Protected Health Information, which is transmitted by Electronic Media (as defined in the HIPAA Security and Privacy Rule) or maintained in Electronic Media.

EXHIBIT BAA

paragraph, "security incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system.

5. Agents and Subcontractors of the Business Associate

The Contractor shall ensure that any agent, including a subcontractor, to which the Contractor provides PHI received from, or created or received by the Contractor on behalf of the County, shall comply with the same restrictions and conditions that apply through the underlying Agreement to the Contractor with respect to such information. The Contractor shall ensure that any agent to whom it provides PHI, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect such PHI. Contractor shall not use subcontractors or agents, unless it receives prior written consent from County.

6. Access to PHI

At the request of the County, and in the time and manner designated by the County, the Contractor shall provide access to PHI in a Designated Record Set to an Individual or the County to meet the requirements of 45 Code of Federal Regulations section 164.524.

7. Amendments to Designated Record Sets

The Contractor shall make any amendment(s) to PHI in a Designated Record Set that the County directs or at the request of the Individual, and in the time and manner designated by the County in accordance with 45 Code of Federal Regulations section 164.526.

8. Documentation of Uses and Disclosures

The Contractor shall document such disclosures of PHI and information related to such disclosures as would be required for the County to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528. Contractor agrees to implement a process that allows for an accounting to be collected and maintained by Contractor and its agents or subcontractors for at least six years prior to the request, but not before the compliance date of the Privacy Rule.

9. Accounting of Disclosure

The Contractor shall provide to the County or an Individual, in the time and manner designated by the County, information collected in accordance with 45 Code of Federal Regulations section 164.528, to permit the County to respond to a request by the Individual for an accounting of disclosures of PHI in accordance with 45 Code of Federal Regulations section 164.528.

10. Records Available to Covered Entity and Secretary

The Contractor shall make available records related to the use, disclosure, security and privacy protection of PHI received from the County, or created or received by the Contractor on behalf of the County, to the County or to the

EXHIBIT BAA

Secretary of the United State Department of Health and Human Services for purposes of investigating or auditing the County's compliance with the HIPAA privacy and security regulations, in the time and manner designated by the County or the Secretary.

11. Destruction of PHI

a. Upon termination of the underlying Agreement for any reason, the Contractor shall:

- (1) Return all PHI received from the County, or created or received by the Contractor on behalf of the County required to be retained by the Privacy Rule; or
- (2) Return or destroy all other PHI received from the County, or created or received by the Contractor on behalf of the County.

This provision also shall apply to PHI in possession of subcontractors or agents of the Contractor. The Contractor, its agents or subcontractors shall retain no copies of the PHI. However, Contractor, its agents or subcontractors shall retain all protected information throughout the term of the underlying Agreement and shall continue to maintain the information required under Section 8 of this Exhibit for a period of six years after termination of the underlying Agreement.

b. In the event the Contractor determines that returning or destroying the PHI is not feasible, the Contractor shall provide the County notification of the conditions that make return or destruction not feasible. If the County agrees that the return of the PHI is not feasible, the Contractor shall extend the protections of this Exhibit to such PHI and limit further use and disclosures of such PHI for so long as the Contractor, or any of its agents or subcontractors, maintains such PHI.

12. Amendments

The Parties agree to take such action as is necessary to amend the underlying Agreement as necessary for the County to comply with the requirements of the Privacy Rule and its implementing regulations.

13. Mitigation of Disallowed Uses and Disclosures

The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the underlying Agreement or the Privacy Rule.

14. Termination of Agreement

The County shall terminate the underlying Agreement upon knowledge of a material breach by the Contractor of which the Contractor fails to cure.

15. Definitions

EXHIBIT BAA

Terms used, but not otherwise defined, in this Exhibit shall have the same meaning as those in the Privacy Rule.

16. Interpretation

Any ambiguity in this Exhibit shall be resolved to permit County to comply with the Privacy Rule and Security Rule.