



# County of Santa Cruz

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## HUMAN RESOURCES AGENCY

CECILIA ESPINOLA, ADMINISTRATOR

1000 EMELINE ST., SANTA CRUZ, CA 95060

(408) 454-4130 OR 454-4045 FAX: (408) 454-4642

June 6, 2000

Agenda: June 20, 2000

### BOARD OF SUPERVISORS

County of Santa Cruz  
701 Ocean Street  
Santa Cruz, California

## **IN-HOME SUPPORTIVE SERVICES CONTRACT AMENDMENT AND CONTRACT PROCUREMENT**

Dear Members of the Board:

On May 23, 2000, your Board directed the Human Resources Agency (HRA) Administrator to negotiate to extend the current in-home supportive services (IHSS) contract through September 30, 2000, and to return to your Board on or before June 27, 2000 with a proposed contract amendment. The proposed amendment is on file with the Clerk of the Board. Your Board also authorized the HRA Administrator to procure through negotiation IHSS for the period October 1, 2000 through June 30, 2001, and to report back to your Board on or before August 15, 2000 with recommendations for contract awards. The purpose of this letter is to seek approval of the contract amendment at a higher rate of reimbursement than originally requested and to obtain approval to use this higher rate for the MSS procurement by negotiation process.

During negotiations with Addus HealthCare, Inc. to extend their current contract through September 30, 2000, HRA determined that the current contract payment rate of \$12.69 per hour is not sufficient to maintain the desired level of IHSS quality. As you know, the quality of IHSS is vital to maintaining clients in the least restrictive and most empowering environment possible—their own home. Furthermore, HRA found that the strong economy makes it difficult for Addus HealthCare, and many other employers, to recruit employees. Consequently, HRA proposes to raise the contract payment rate to \$13.68 per hour in order to improve IHSS quality and to promote a better wage scale for the IHSS contract employees. This proposal is contingent upon your Board's approval of the proposed HRA budget. To further address the quality of IHSS, HRA included performance goals and objectives in the proposed contract amendment.

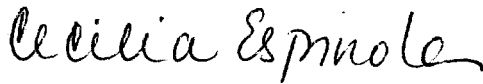
To ensure consistency in the quality of IHSS, HRA also seeks to use the rate of \$13.68 per hour as the ceiling for the IHSS contract procurement by negotiation process. This proposal is contingent upon your Board's approval of the proposed HRA budget. In order to include this proposed rate change in the procurement by negotiation process, HRA seeks one additional week

in which to implement the process. Thus, HRA requests that you direct the HRA Administrator to report back to your Board with contract recommendations on or before August 22, 2000 rather than August 15, 2000.

IT IS THEREFORE RECOMMENDED that your Board:

1. Authorize the HRA Administrator to sign an amendment to contract # 9 17 16 with **Addus HealthCare, Inc** to extend the current in-home supportive services contract for three additional months through September 30, 2000 at a rate of \$13.68 per hour for a total contract amount not to exceed \$649,800 and 47,500 service hours contingent upon approval of the proposed HRA budget;
2. Authorize the HRA Administrator to procure in-home supportive services through negotiation for the period October 1, 2000 through June 30, 2001 at a rate not to exceed \$13.68 per hour for a total contract or contracts not to exceed \$1,949,400 and 142,500 service hours contingent upon approval of the proposed HRA budget; and
3. Direct the HRA Administrator to report back to your Board on or before August 22, 2000 regarding recommendations for in-home supportive services contract awards and to set a public hearing on that same day to formally consider proposals and to award contracts.

Very truly yours,



Cecilia Espinola  
Administrator

CE/ewc N:\HRA\BOARD\IHSS Increase Rate and Contract Amendment for Ext 6-00.doc

RECOMMENDED:



Susan A. Mauriello  
County Administrative Officer

cc: County Administrative Office  
County Counsel  
California Department of Social Services  
Seniors Commission  
Commission on Disabilities  
Human Services Commission  
Long Term Care Interagency Commission  
United Domestic Workers Union  
Addus HealthCare, Inc.

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

0201

TO: Board of Supervisors  
County Administrative Officer  
County Counsel  
Auditor-Controller

FROM: (Dept.) Human Resources Agency  
[Signature] (Signature) 6/9/00 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the County of Santa Cruz Human Resources Agency (Agency)  
and Addus HealthCare Inc. 2401 Plum Grove Rd. Palatine, IL 60067 (Name & Address)

2. The agreement will provide in-home supportive services.

3. The agreement is needed, to provide continuity of care for the elderly, disabled and blind.

4. Period of the agreement is from 7/1/00 to 9/30/00

5. Anticipated cost is \$ 649,800 (Fixed amount, Monthly rate, Not to exceed)

6. Remarks: Amendment 2 to current contract for three month extension. W-9 on file.  
Contact: Elizabeth Caswell x4884. Contract Term: 8/1/98 - 9/30/00

7. Appropriations are budgeted in 392100 (Index#) 4 5 4 5 (Subject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. Contract No. 01716 Date 6-12-00  
SUBJECT TO BOARD APPROVAL. GARY A. KNUTSON, Auditor - Controller  
By [Signature] Deputy.

Proposed I reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the  
HRA Administrator to execute the same on behalf of the County of Santa Cruz  
Human Resources Agency (Agency).

Remarks: [Signature] (Analyst) BY [Signature] County Administrative Officer Date 6-13-00

Agreement approved as to form. Date \_\_\_\_\_

Distribution:  
Bd. of Supv. - White  
Auditor-Controller - Blue  
County Counsel -           
Co. Admin. Officer - Canary  
Auditor-Controller - Pink  
Originating Dept. - Goldenrod

To Orig. Dept. if rejected.

State of California )  
County of Santa Cruz ) ss  
I, \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,  
State of California, do hereby certify that the foregoing request for approval of agreement was approved by  
said Board of Supervisors as recommended by the County Administrative Officer by an order entered  
IN the minutes of said Board on \_\_\_\_\_ County Administrative Officer  
\_\_\_\_\_ 19 \_\_ BY \_\_\_\_\_ Deputy Clerk

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**AMENDMENT TWO TO CONTRACT # 91716  
CONTRACT TO PROVIDE IN-HOME SUPPORTIVE SERVICES**

The County of Santa Cruz, by and through the Human Resources Agency, hereinafter referred to as "COUNTY" and Addus HealthCare, Inc., hereinafter referred to as "CONTRACTOR" hereby modify the contract to provide In-Home Supportive Services to eligible residents of Santa Cruz County. The purpose of this amendment is to extend the term of the contract for three additional months through September 30, 2000, to modify the contract hours, amount, and budget, and to establish performance goals and objectives. The provisions of this Amendment shall be effective from July 1, 2000 through September 30, 2000. All other provisions of said contract shall remain the same:

- (A) Contract title is amended to read:

COUNTY OF SANTA CRUZ  
HUMAN RESOURCES AGENCY  
CONTRACT TO PROVIDE IN-HOME SUPPORTIVE SERVICES  
AUGUST 1, 1998 THROUGH SEPTEMBER 30, 2000  
MAXIMUM AMOUNT FOR AMENDMENT TWO SHALL NOT EXCEED \$649,800  
MAXIMUM SERVICE HOURS FOR AMENDMENT TWO SHALL NOT EXCEED 47,500

- (B) Section IV. A. 4. is amended such that 2555 (i.e., the amount of hours) is replaced by 2,500.
- (C) Section IV. A. 21 is amended such that Santa Cruz is replaced by Santa Cruz County.
- (D) Section V. A. 1. is amended by adding:

The maximum amount payable under this contract for the period July 1, 2000 through September 30, 2000 shall not exceed \$649,800. This amount will purchase a maximum of 47,500 service hours at a fixed rate of \$13.68 per hour.

Section V. A. 1. Is further amended by deleting:

Pursuant to Welfare and Institutions Code (WIC) Section 12301.2, this contract may be renewed for a period not to exceed one year.

- (E) Section VI. A. is amended to read:

The term of this contract is from August 1, 1998 through September 30, 2000.

- (F) EXHIBIT "A" is amended to reflect a new Contract Budget and Budget Narrative. The revised EXHIBIT "A" is attached and incorporated herein by this reference.

(G) Specific salary levels, step merit increases, mileage rates, and requirements for health and dental insurance specified in EXHIBITS I-1 through I-4 are amended as reflected in the revised EXHIBIT "A" Contract Budget and Budget Narrative as attached and incorporated herein.

(H) Section VI. AA. is added and reads:

PERFORMANCE GOALS AND OBJECTIVES, EXHIBIT "R" attached hereto and incorporated by this reference.

EXHIBIT "R" is attached and incorporated herein by this reference.

COUNTY OF SANTA CRUZ

By: \_\_\_\_\_  
Cecilia Espinola, Administrator  
Human Resources Agency

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

CONTRACTOR

By: WMM WMSGR  
Contractor's Authorized Representative

Date: 6/9/00

Address: 2401 S. Plum Grove Road, Palantine, Illinois 60067

Tax ID Number: 42-10 14070

APPROVED AS TO INSURANCE

By: Janet McKinley 6-12-2000  
Risk Management

APPROVED AS TO FORM

By: Gar M. Scott  
County Counsel

- Distribution: County Administrative Office
- County Counsel
- Auditor-Controller
- Human Resources Agency
- California Department of Social Services
- Contractor

Attachments: EXHIBIT "A"  
EXHIBIT "R"

EXHIBIT A  
**REQUIRED CONTRACT BUDGET AND BUDGET NARRATIVE**

0205

County: Santa Cruz County Date: June 9, 2000  
 Contractor: AddusHealthCare, Inc.  
 Period Beginning: July 1, 2000 Period Ending: September 30, 2000  
 Total Service Hours for Period: 47,500 Hourly Rate: 13.6800

	TOTAL COST	HOURLY RATE
<b>IHSS Provider Wages</b>		
FullTime.....	368,167.94	7.7509
PartTime.....	0	0.0000
<b>IHSS Provider Employment Taxes</b>		
Social Security (FICA) .....	32,262.84	0.6792
Federal Unemployment Ins. (FUTA)....	3,373.89	0.0710
State Unemployment Ins. (SUI) .....	3,373.89	0.0710
State Disability Ins. (SDI) .....	0	0.0000
<b>IHSS Provider Worker's Compensation . . .</b>	<b>34,793.26</b>	<b>0.7325</b>
<b>IHSS Provider Employment Benefits</b>		
Vacation .....	16470.67	0.3468
Sick Leave .....	9,020.11	0.1899
Holiday .....	14,416.68	0.3035
Health Insurance .....	44,264.73	0.9319
Dental Insurance .....	^	0.0000
<b>IHSS Provider Travel Costs</b>		
Travel Wages .....	7,130.83	0.1501
Mileage .....	19,500.00	0.4105
<b>IHSS Provider Orientation/Skill Development Training</b>		
Training Wages .....	6530.23	0.1375
Training Staff/Consultants .....	0	0.0000
Other Training Costs (specify) . . . . .	0	0.0000
<b>Administrative Salaries</b>		
Local Administration . . . . .	1 0,000.00	0.2105
Clerical .....	4,160.00	0.0876
IHSS Supervisors .....	31,200.00	0.6568
Salaries to Owners/Officers/Directors..		0.0000
<b>Administrative Taxes</b>		
Social Security (FICA) .....	3,470.04	0.0731
Federal Uemployment Ins. (FUTA) . . . . .	362.88	0.0076
State Unemployment Ins. (SUI) .....	362.88	0.0076
State Disability Ins. (SDI) .....	0	0.0000
<b>Administrative Worker's Compensation . .</b>	<b>734.83</b>	<b>0.0155</b>

## REQUIRED CONTRACT BUDGET

	TOTAL COST	HOURLY RATE
<b>Administrative Benefits</b>		
Vacation .....	Included in Salaries	<b>0.0000</b>
Sick Leave .....	Included in Salaries	<b>0.0000</b>
Holiday .....	Included in Salaries	<b>0.0000</b>
Health Insurance .....	4,266.48	<b>0.0896</b>
Dental Insurance .....	0	<b>0.0000</b>
<b>Administrative Travel</b>		
Travel Wages .....	Included in Salaries	<b>0.0000</b>
Mileage .....	780.00	0.0164
<b>Insurance and Bonding</b>		
Liability Insurance .....	2,255.79	0.0475
Automobile Insurance .....	Included Above	0.0000
Fidelity Bond .....	Included Above	0.0000
Performance Bond .....	N/A	0.0000
Letter of Credit .....	Included in Other Costs	0.0000
<b>Office Expense</b>		
Rent .....	6,000.00	0.1263
Maintenance/Janitorial .....	165.00	0.0035
Utilities .....	875.00	0.0184
Equipment (new) .....	0	0.0000
Equipment Maintenance .....	300.00	0.0063
Equipment Deprec. ( <i>purcahsed prior</i> ) .....	0	0.0000
Accounting and Data Processing .....	Included in Other Costs	0.0000
Telephone .....	1,800.00	0.0379
Postage .....	500.00	0.0105
Photocopying/Printing .....	375.00	0.0079
Supplies .....	21250.00	0.0474
Personnel Advertising .....	225.00	0.0047
<b>Other Costs (see Budget Narrative ) .....</b>	<b>487.27</b>	<b>0.0103</b>
<b>Profit (<i>proprietary firms</i>) .....</b>	<b>18,926.26</b>	<b>0.3984</b>
<b>Audit Costs .....</b>	<b>1,000.00</b>	<b>0.0211</b>
<b>TOTAL COSTS .....</b>	<b>649,801.52</b>	<b>13.6800</b>
<b>HOURLY RATE .....</b>		<b>13.6800</b>



**Santa Cruz County**  
**July 1, 2000 to September 30, 2000**  
**BUDGET NARRATIVE**

0207

**IHSS Provider Wages**

The following are the minimum wage rates for each classification of worker and worker seniority. The composite wage rate is based upon the current year's rate of turnover and employee movement on the wage scale outlined below. The proposed budget is in full compliance with all city, local, state, and federal guidelines.

**Wage and Benefit Package**

July 1, 2000 - September 30, 2000						
Step	Homemaker I	Homemaker II	Homemaker III	Estimated Hours	Estimated Salaries/Cost	
Entry	7.00	7.00	7.00	5,700	39,900	
6 months	7.00	7.15	7.15	4,995	35,460	
1 year	7.10	7.15	7.25	4,930	35,254	
2 years	7.10	7.20	7.25	3,413	24,497	
3 years	7.15	7.35	7.40	6,689	48,656	
4 years	7.25	7.50	7.75	3,355	24,852	
6 years	7.35	7.70	7.90	4,035	34,160	
8 years	7.50	7.85	8.05	4,026	34,280	
10 years	7.65	8.00	8.20	4,855	41,666	
12 years	7.85	8.10	8.35	5,502	47,884	
Shop Steward	1.00	1.00	1.00	0	1,560	
Total				47,500	368,168	

**Composite Wage**

Composite Wage rate is calculated by estimating the number of workers in each wage category and factoring wage increases, staff turnover and new hires to support additional units of service.

$$7.7509 \times 47,500 = 368,168 \text{ per hour Total Cost}$$

**IHSS Provider Employment Taxes**

Taxes have been computed on a base composed of:

Provider Wages .....	\$368,167.94
Vacation.....	\$16,470.67
Sick Leave.....	\$9,020.11
Holiday.....	\$14,416.68
Travel Wages .....	\$7,130.83
Training Wages .....	\$6,530.23
Total.....	<u>\$421,736.47</u>

**Social Security (FICA):**

Reflects the federally mandated level of taxable wages. The amount of taxable wages equals the amount of total provider wages for this workforce.

$$7.65\% \times 421,736.47 = \$32,262.84 \text{ total cost}$$

$$\$32,262.84 / 47,500 = 0.6792 \text{ per hour}$$

**Federal Unemployment Insurance (FUTA):**

Reflects the federally mandated level of taxable wages. The amount of taxable wages equals the amount of total provider wages for this workforce.

$$0.80\% \times 421,736.47 = \$3,373.89 \text{ total cost}$$

$$3,373.89 / 47,500 = 0.0710 \text{ per hour}$$

**State Unemployment Insurance (SUI):**

Reflects the rate set for our company by the State. We recognize that only a portion of the annual wages of some direct service employees is taxable for SUI, however, because we, nor any provider of such service, can predict with total accuracy the longevity of any particular holder of any position. We have based our calculation upon the total wages and the rate quoted to us by our carrier.

State Unemployment Rate Determination Letter is attached as required.

$$0.80\% \times 421,736.47 = \$3,373.89 \text{ total cost } 0208$$

$$\$3,373.89 \div 47,500 = 0.0710 \text{ per hour}$$

**IHSS Provider Worker's Compensation:**

Norkers Compensation reflects the most recent rate quoted to us by our carrier.

$$8.25\% \times 421,736.47 = \$34,793.26 \text{ total cost}$$

$$\$34,793.26 \div 47,500 = 0.7325 \text{ per hour}$$

12 month period	Manual Rate used per \$100 of wages	Total amount to WC insurance reserve	Actual WC Losses Experienced *	Surcharge *	EX MOD	Net <Loss> or gains for period
4/92-3/93	17.73	190,964	101,719	44,858	1.01	44,387
4/93-3/94	17.73	201,271	118,302	45,901	1.13	37,068
4/94-3/95	17.73	211,939	70,650	27,130	1.05	114,159
4/95-3/96	17.73	231,164	202,810	67,536	1.18	(39,182)
4/96-4/97	17.73	58,867	713	205	1.41	57,949

The surcharge consists of charges by the workers compensation insurance carrier for various costs including claims administration, administrative costs, and their profit.

Worker's compensation rates are based upon our current policy costs and an estimate for subsequent years.

The policy period is from April 1 st through March 31 st. Due to a change in insurance carrier for the current policy year, the company was able to receive very favorable pricing. It is managements belief, that in future years the pricing will increase to reflect closer to the company's actual experience.

Workers Compensation supporting documentation as required is attached.

Since we are not self-insured, the additional requested self-insured information is non-applicable.

**IHSS Provider Employment Benefits**

Based upon our experience in the current year and the union benefit package, the amounts budgeted for IHSS provider benefits have been estimated using formulas set forth in the package for each benefit.

Full time employees are employees who work 20 or more hours per week.

**Vacation:**

Direct service workers shall accrue paid vacation based upon the following formula:

Years of Service	Paid Vacation per year
0-3	1 hour for every 50 hours worked
4-10	2 hours for every 50 hours worked
10+	3 hours for every 50 hours worked

Homemakers must work an average of 20 hours per week to qualify for vacation.

$$\text{Accrued Hours } 2,125 \times 7.7509 = \$ 16,470.67 \text{ total cost}$$

$$\$ 16,470.67 \div 47,500 = 0.3468 \text{ per hour}$$

**Sick Leave:**

All direct service workers shall accrue paid sick leave based upon the following formula:

1 hours for every 40 hours worked

Based upon experience 98% of workers use sick leave benefits

Estimated Hours worked by homemakers	47,500					
	47,500 /	40	=	1,188 x	98%	= 1,163.75 sick hours
	1,163.75 x	7.7509 composite wage	=	\$	9,020.11	total cost
	\$	9,020.11 /		47,500	=	0.1899 per hour

**Holiday:**

Holiday pay is based upon the following formula:

All employees are eligible for paid holidays based upon time worked.

10 paid holidays

Holiday pay is based upon the actual hours scheduled to work and

65 work days

Estimated Hours eligible for holiday benefits	1,860					
	1,860 x	7.7509	=	\$	14,416.68	total cost
	\$	14,416.68 /		47,500	=	0.3035 per hour

**Health Insurance:**



Health insurance coverage is available to all homemakers who work an average of twenty eight hours per week. The company pays 100% of the monthly premium for full-time employees who opt for coverage. Number of employees covered is based upon the current coverage and the change in contract requirements during this contract period. Carrier is **PacifiCare**.

0209

177.77 Total Monthly Premium Cost 83 Full time Employees receive health insurance.

$$\begin{array}{rclclcl} & 83 & \times & 177.77 & \times & 3 & = & \$44,264.73 \\ \$44,264.73 & / & & 47,500 & & = & & 0.9319 \text{ per hour} \end{array}$$

**IHSS Provider Travel Costs**

**Travel Wages:**

Based upon our experience in the current year in the county, we estimate that provider travel wages will remain level. Providers are compensated for actual time, there is no limit on the travel time between client homes. Travel time is audited by the employees supervisor.

$$\begin{array}{rclclcl} 920 & \text{est. hours} & \times & 7.7509 & = & \$7,130.83 & \text{total cost} \\ \$7,130.83 & / & & 47,500 & = & & 0.1501 \text{ per hour} \end{array}$$

**Mileage**

Based upon our experience in the current year in the county, we estimate that provider mileage reimbursement will remain level. Providers are compensated for actual mileage, there is no limit on the mileage reimbursed. Mileage is audited by the employees supervisor.

$$\begin{array}{rclclcl} 75,000 & \text{est. miles} & \times & 0.26 & = & \$19,500.00 & \text{total cost} \\ \$19,500.00 & / & & 47,500 & = & & 0.4105 \text{ per hour} \end{array}$$

**IHSS Provider Orientation/Skill Development Training**

**Orien tation/Skill Development**

Based upon the actual rate of turnover and new hires.

- 2 Initial Training Hours
- 4 Skill Development Training Hours
- 10 Personal Care Training Hours
- 6 Estimated new Hires per month
- 155 Staff receiving skill development training
- 19 Staff receiving Personal Care Training

$$\begin{array}{rclclcl} 6 & \text{new hires/mth} & \times & 2 & \text{hrs/mth} & = & \\ 12 & \times & 7.00 & \text{average starting wage} & & = & \$811200 \\ 84.00 & \times & 3 & \text{month extension} & & = & \$252.00 \end{array}$$

In addition, all homemakers receive skill development training.

$$155 \times 4 \times 7.7509 = \$4,805.56$$

In addition, homemakers may choose to attend personal care training.

$$\begin{array}{rclclcl} 19 & \times & 10 & \times & 7.7509 & = & \$1,472.67 \\ \$252.00 & + & \$4,805.56 & + & 1472.67 & = & \$6,530.23 \\ 6,530 & / & & 47,500 & = & & 0.1375 \text{ per hour} \end{array}$$

Total Training Wages

**Skill Development Training**

Included above in orientation/skill development training costs.

**Administrative Salaries**

**Local Administration:**

$$\begin{array}{rclclcl} 1 & \text{Branch Manager} & \$1,000.00 & \text{allocated at} & 100\% & \text{of time to IHSS program.} \\ \$10,000.00 & \times & 100\% & = & \$10,000.00 & \text{Total Cost} \\ 10,000 & / & & 47,500 & = & 0.2105 \text{ per hour} \end{array}$$

**IHSS Supervisors:**

$$\begin{array}{rclclcl} 1 & \text{Supervisor for each} & 2500 & \text{hours of service.} & & & \\ 6 & \text{Supervisor positions} & \text{average wage of} & \$10.00 & \text{per hour} & & \\ 47,500 & / & 3 & / & 2500 & = & 6 \\ \$10.00 & \times & 40 & \text{hours week} & \times & 13 & \text{weeks} & = & \$5,200.00 \\ 5,200.00 & \times & 6.00 & \text{employees} & = & & \$31,200.00 & \text{total cost} \\ 31,200 & / & & 47,500 & = & & 0.6568 \text{ per hour} \end{array}$$

**Clerical Support:**

1 Clerk/Receptionist allocated at **100%** of time to IHSS program. **0.210**  

$$\frac{\$8.00 \times 520.00}{4,160} = \frac{\$4,160.00}{47,500} = \text{Total Cost} = \mathbf{0.0876}$$
 per hour

Taxes have been computed on a base composed of:

Local Administration.....	\$10,000.00
Clerical Support.....	\$4,160.00
HSS Supervisors.....	<u>\$31,200.00</u>

Total..... **\$45,360.00**

**Social Security (FICA):**

Reflects the federally mandated level of taxable wages.

$$\frac{7.65\% \times \$45,360.00}{3,470} = \frac{\$3,470.04}{47,500} = \text{total cost} = \mathbf{0.0731}$$
 per hour

**Federal Unemployment Insurance (FUTA):**

Reflects the federally mandated level of taxable wages.

$$\frac{0.80\% \times \$45,360.00}{363} = \frac{\$362.88}{47,500} = \text{total cost} = \mathbf{0.0076}$$
 per hour

**State Unemployment Insurance (SUI):**

Reflects the rate set for our company by the State.

$$\frac{0.80\% \times \$45,360.00}{363} = \frac{\$362.88}{47,500} = \text{total cost} = \mathbf{0.0076}$$
 per hour

A copy of the most recent state Unemployment Insurance rate determination letter has been attached.

**Administrative Worker's Compensation:**

Workers Compensation reflects the most recent rate quoted to us by our carrier.

$$\frac{1.62\% \times \$45,360.00}{735} = \frac{\$734.83}{47,500} = \text{total cost} = \mathbf{0.0155}$$
 per hour

12 month period	Manual Rate used per \$100 of wages	Total amount to WC insurance reserve	Actual WC Losses Experienced *	Surcharge*	EX MOD	Net <Loss> or gains for period
4/92-3/93	1.62	1,637	0	0	1.01	1,637
4/93-3/94	1.62	1,844	0	0	1.13	1,844
4/94-3/95	1.62	1,826	0	0	1.05	1,828
4/95-3/96	1.62	1,862	0	0	1.18	1,862
4/96-4/97	1.62	449	0	0	1.14	449

\* The "Actual WC Losses experienced" consists of the claims paid out and reserved and does not include any other costs. The surcharge shown above consists of charges other than for claims from our insurance carrier allocated as a percentage of claims. These charges consist primarily of the insurance carriers administrative costs and profit, various taxes related to workers compensation insurance paid by the insurance carrier and the premium for a stop loss policy. Our Workers Compensation carrier does not separate claims between direct and administrative employees. Workers Compensation supporting documentation as required is attached. Since we are not self-insured, the additional requested self-insured information is non-applicable.

**Administrative Benefits:**

**Vacation, Sick Leave, Holiday**

Vacation, Sick Leave and Holiday benefits are included in salary calculation. Amounts accrued and paid will be those averaged in administrative salaries. Current staff will retain their current level of benefits.

**Health Insurance**

Health insurance coverage is available to all full-time administrative staff. The company pays 80% of the monthly premium for these employees. All full time administrative staff are expected to elect health insurance coverage. Health Plan for Administrative Staff is **PacifiCare**.

$$\begin{array}{r r r r r r r r r} 8 & \text{employees} & \times & 177.77 & \times & 3 & = & \$4,266.48 & \text{total cost} \\ 4,266 & & / & 47,500 & & = & & 0.0898 & \text{per hour} \end{array}$$

**Administrative Travel****HSS Administrative Travel Wages**

Administrative travel wages are included in salary calculation since regular travel will be a part of each administrative persons job and will be paid for the actual time traveled at each person's regular rate of pay, as outlined in the administrative salaries section. Management functions required to carry out the contract which involve travel include client monitoring, provider training, initial service visits, general recruiting, and meetings with the County and/or general public, and will be performed by staff at all levels.

**HSS Administrative Mileage**

Based upon our experience as the current provider in the county, and using the reimbursement rate of 0.26 per mile our estimate has been calculated as follows:

$$\begin{array}{r r r r r r r r r} 3,000 & \text{miles} & \times & 0.26 & = & \$780.00 & \text{total cost} \\ 780 & & / & 47,500 & = & 0.0164 & \text{per hour} \end{array}$$

**Insurance and Bonding****Liability Insurance, Automobile insurance, Fidelity Bonding**

Coverage's include all required by contract. Coverage is based upon employee wages.

Field Wages			\$368,167.94				
Administrative Wages			\$45,360.00				
Total Wages			<u>\$413,527.94</u>				
	\$413,527.94	X	0.5455%	=	\$2,255.79	total cost	
	2,256	/	47,500	=	0.0475	per hour	

**Office Expense****Rent**

Based upon current rental costs for all offices in the service area.

Projected at	\$6,000.00	total cost	
	6,000	/	47,500
			0.1263
			per hour

**Maintenance/Janitorial**

Based upon current costs for routine facility maintenance.

Projected at	\$165.00	total cost	
	165	/	47,500
			0.0035
			per hour

**Utilities**

Based upon current costs for ugas, water, and electricity.

Projected at	\$875.00	total cost	
	875	/	47,500
			0.0184
			per hour

**Equipment**

No new equipment will be purchased under this contract.

**Equipment Maintenance**

Based upon current office equipment maintenance agreements and for repairs not covered by maintenance agreements. Equipment includes Copier, Telephones, Fax and Computers.

Projected at	\$300.00	total cost	
	300	/	47,500
			0.0063
			per hour

**Equipment Depreciation**

Non-applicable.

0212

**Accounting and Data Processing**

Included in Other costs.

**Telephone**

Based upon current costs for use and maintenance of regular lines and long distance service.

Projected at	<b>\$1,800.00</b>	total cost		
	1,800	/	47,500	0.0379 per hour

**Postage**

Based upon current costs for stamps, postal services, and messenger services/express mail.

Projected at	\$500.00	total cost		
	500	/	47,500	0.0105 per hour

**Photocopying/Printing**

Based upon current costs copier, forms, general photocopying expenses and factors for outside printing.

Projected at	\$375.00	total cost		
	375	/	47,500	0.0079 per hour

**Supplies**

Based upon current costs for checks, paper, envelopes, note pads, calculators, and miscellaneous office supplies. Supplies are recorded in total and not itemized separately for accounting records.

Projected at	<b>\$2,250.00</b>	total cost		
	2,250	/	47,500	0.0474 per hour

**Personnel Advertising**

Based upon current costs for placing ads in local newspapers, distributing flyers and making contacts with potential recruitment referral sources.

Projected at	\$225.00	total cost		
	225	/	47,500	0.0647 per hour

**Other Costs**

Based upon current costs for data processing, accounting, legal, claims, damages, consultants, letter of credit, temporary help, licenses, taxes, small miscellaneous expenses. Includes cost of regional management and home office expense. Also includes additional costs for compliance with DOL OSHA 29 CFR Part 1910.1030: Occupational Exposure to Blood-Borne Pathogens and employee identification badges.

Estimated at	\$487.27	total cost		
	487	/	47,500	0.0103 per hour

**Profit**

Projected at 3.00% of the net total.

Estimated at	<b>\$18,926.26</b>	total cost		
	18,926	/	47,500	0.3984 per hour

**Independent Audit**

Estimated cost of required audit based upon current year's audit expense.

Projected at	<b>\$1,000.00</b>	total cost		
	1,000	/	47,500	0.0211 per hour

**Total Cost**

Projected at	<b>\$649,801.52</b>	total cost		
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**Hourly Rate**

<b>\$649,801.52</b>		47,500 =	13.6800	hourly rate
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**EXHIBIT R**  
**PERFORMANCE GOALS AND OBJECTIVES**

0213

If the following goals and objectives, reference is made to the County's acceptance of various training plans. Acceptance refers to the County's receipt of plans and to the County's review of plans to insure that they include agreed upon items. There is also reference in the goals and objectives to training on several topics for IHSS providers. It is acceptable to the County that multiple training topics be addressed in one session.

<b>GOALS</b>	<b>MEASURABLE OBJECTIVE(S)</b>	<b>IMPLEMENTATION ACTIVITIES</b>	<b>METHOD(S) OF EVALUATING PROCESS AND/OR OUTCOME OF OBJECTIVE(S)</b>
<b>I. Improved office administration.</b>	4. Effective and efficient management of office.	1. Provide on-site management services. Recruit Branch Manager.	<ul style="list-style-type: none"> <li>a. Vice President and/or Area Manager on site three days per week until qualified Branch Manager hired.</li> <li>b. Evidence of continued recruitment effort to identify/hire a qualified Branch Manager.</li> <li>c. Contractor will offer qualified Branch Manager candidate severance or continuing employment clause to protect candidate from loss of employment at end of contract extension.</li> </ul>
		2. Train Branch Manager in management procedures.	a. Training plan for Branch Manager submitted to the County and accepted by July 1, 2000. Branch Manager training plan implemented immediately upon the manager's first day of work. Such training may include mentoring at another location in CA.
		3 Review contract requirements with manager.	a. Meeting between area manager, Branch Manager, and County staff to review contract requirements completed by August 2000.
	B. Improved functioning of supervisor positions.	1. Hire one supervisor for every 2,500 hours of authorized services.	a. Six supervisor positions filled by August 1, 2000.

GOALS	MEASURABLE OBJECTIVE(S)	IMPLEMENTATION ACTIVITIES	METHOD(S) OF EVALUATING PROCESS AND/OR OUTCOME OF OBJECTIVE(S)
		2. Hire one clerical person.	a. One clerical position, preferably bilingual in Spanish, filled by August 1, 2000.
		3. Train supervisors in supervision techniques.	a. Training plan for supervisors addressing supervision techniques submitted to the County and accepted on or before July 15, 2000. Supervisor training plan implemented within three working days of acceptance by County.
		4. Review contract requirements with supervisors.	a. Meeting between area manager, Branch Manager, supervisors, and County staff to review contract requirements completed by August 2000.
	C. Improved implementation of contract requirements.	1. Submission of regular reports.	a. Weekly and monthly reports received by due date. Weekly reports are due Tuesday of each week by 5:00 p.m. Monthly reports are due the 10 <sup>th</sup> of each month by 5:00 p.m.
		2. Regular communication about client issues from Contractor to the County.	a. Client service information reports submitted within two working days of Branch knowledge of client issues.
		3. Reduced number of client complaints received by County staff	a. Contractor weekly reports to include information about client complaints. b. County staff and Contractor meet as needed, but no less than monthly to discuss client complaints received by either agency and to assess reduction in complaints.



GOALS	MEASURABLE OBJECTIVE(S)	IMPLEMENTATION ACTIVITIES	METHOD(S) OF EVALUATING PROCESS AND/OR OUTCOME OF OBJECTIVE(S)
<p>Improved recruitment and retention of qualified providers.</p>	<p>A. Increased provider workforce.</p>	<p>1. Recruit providers.</p>	<p>a. Evidence of provider recruitment efforts provided to County by July 17, 2000. Such evidence may include a recruitment plan and advertisements.</p>
		<p>2. Hire providers.</p>	<p>a. At least six new providers hired between July 1, 2000 and August 1, 2000 (based on increased contract hours) as evidenced by monthly reports and County monitoring. The new base of providers is 14 1.</p>
		<p>3. Retain base of current providers ( 13 5 providers).</p>	<p>a. Providers who are terminated or who separate are replaced on a one for one basis as evidenced by monthly reports and County monitoring.</p>

GOALS	MEASURABLE OBJECTIVE(S)	IMPLEMENTATION ACTIVITIES	METHOD(S) OF EVALUATING PROCESS AND/OR OUTCOME OF OBJECTIVE(S)
	<p><b>B.</b> Improved provider qualifications.</p>	<p>1. Train new and current providers in company procedures.</p>	<p>a. Training plan for new and current providers addressing company procedures, including an emphasis on adherence to schedules and early communication about transportation difficulties, submitted to the County and accepted by July 1, 2000.</p> <p><b>bt</b> Documentation of completion by new employees of new provider orientation submitted to County within one month of hiring.</p> <p>c. Company procedures training workshop (with written materials) for current providers completed by August 1, 2000.</p>
		<p>2. Train providers in domestic services.</p>	<p>a. Training plan with explanations of how new and current providers are trained in domestic services, including on the job training, submitted to County by July 1, 2000. Plan should address use of sanitary procedures.</p> <p><b>b.</b> Documentation of new provider on the job training in domestic duties submitted to County within one week of first workday.</p> <p>c. Domestic services training workshop (with written materials) for current providers completed by August 1, 2000.</p>

<b>GOALS</b>	<b>MEASURABLE OBJECTIVE(S)</b>	<b>IMPLEMENTATION ACTIVITIES</b>	<b>METHOD(S) OF EVALUATING PROCESS AND/OR OUTCOME OF OBJECTIVE(S)</b>
		3. Train providers in the use of proactive customer service skills.	a. Training plan with explanations of how new and current providers are trained in the use of proactive customer services skills will be developed in collaboration with County staff prior to August 1, 2000.  b. Customer services training workshop (with written materials) for current providers completed by August 31, 2000.
		4. Increase the number of providers with personal care skills (i.e., build the base of providers with these skills rather than focusing on individual clients .)	a. Complete list of current providers with personal care skills experience (i.e., training) submitted to the County and accepted by July 1, 2000.  b. Documentation of schedule of ongoing training of providers (by appropriate personnel) in personal care skills provided to the County by August 1, 2000.

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

0218

TO: Board of Supervisors  
County Administrative Officer  
County Counsel  
Auditor-Controller

FROM: Human Resources Agency (Dept.)  
[Signature] (Signature) 6/8/00 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

- Said agreement is between the County of Santa Cruz Human Resources Agency (Agency) and Addus HealthCare Inc., 2401 Plum Grove Rd. Palatine, IL 60067 (Name & Address)
- The agreement will provide in-home supportive Services
- The agreement is needed to provide continuity of care for the elderly, disabled and blind.
- Period of the agreement is from 7/1/00 to 9/30/00
- Anticipated cost is \$ 47,500 (Fixed amount, Monthly rate, Not to exceed)
- Remarks: Amendment<sup>2</sup> to current contract for three month extension. W-9. on file.  
Contact: Elizabeth Caswell x4884 Contract Term: 8/1/98 + 9/30/00
- Appropriations are budgeted in 392100 (index#) 4 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered \* Contract No. 01716 Date 6/8/00  
are not available and will be encumbered \*  
\* SUBJECT TO APPROVAL OF THE 00/01 HRA BUDGET  
GARY A. KNUTSON, Auditor - Controller  
By [Signature] Deputy.

Propostri reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the HRA Administrator to execute the same on behalf of the County of Santa Cruz Human Resources Agency (Agency).  
County Administrative Officer

Remarks: [Signature] (Analyst) By [Signature] Date \_\_\_\_\_

Agreement approved as to form. Date \_\_\_\_\_

Distribution:  
Bd. of Supv. - White  
Auditor-Controller - Blue  
County Counsel - [initials]  
Co. Admin. Officer - Conroy  
Auditor-Controller - Pink  
Originating Dept. - Goldenrod

To Orig. Dept. if rejected.

State of California )  
County of Santa Cruz ) SS  
I \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,  
State of California, do hereby certify that the foregoing request for approval of agreement was approved by  
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered  
in the minutes of said Board on \_\_\_\_\_ County Administrative Officer  
\_\_\_\_\_ 19 \_\_\_\_\_ By \_\_\_\_\_ Deputy Clerk