



**HEALTH SERVICES AGENCY  
ADMINISTRATION**

0283  
**County of Santa Cruz**

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**HEALTH SERVICES AGENCY**

P.O. BOX 962, 1080 EMELINE AVENUE  
SANTA CRUZ, CA 95061  
(831) 454-4066 FAX: (831) 454-4770

January 28, 2002

**AGENDA: February 12, 2002**

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

**Re: Hepatitis C Prevention and Control Project Grant**

Dear Members of the Board:

On August 28, 2001, your Board authorized submission of a funding application to the California Department of Health Services, Disease Investigations and Surveillance Branch (CDHS/DISB) to design and implement a Hepatitis C Prevention and Control Project. The Health Services Agency (HSA) is pleased to announce that CDHS/DISB awarded the County a 14-month grant in the amount of \$88,000 for this program. The HSA Hepatitis C Prevention and Control Project was one of eight projects funded by the CDHS/DISB. Attached are two resolutions necessary to authorize HSA to sign the State Standard Agreement and to accept and appropriate \$39,845 in unanticipated revenue in FY 2001/02 for the Hepatitis C Project.

The goals of the Hepatitis C Project are to reduce the incidence of acute hepatitis C virus infection in California and to limit the progression and health complications of chronic hepatitis C-related liver disease in Californians who are already infected. The implementation of Hepatitis C Project is a critical first step in achieving these goals. This project will provide outreach, education, counseling, testing and/or referrals to at-risk populations.

The Hepatitis C Project is a regional collaborative effort that will involve HSA, the Santa Cruz AIDS Project, the County Veteran Services Office and the Veterans Administration Medical Center in Palo Alto. The project will promote primary prevention by expanding testing to include additional high-risk sites, including drug treatment centers, detention facilities, and transitional housing facilities; improve data collection systems in order to gather more information about risk categories and veteran status; and enhance secondary prevention by providing information and education to persons with known or newly-detected hepatitis C infection to help prevent or limit progression of the disease. These expanded services will include a subcontract with Santa Cruz AIDS Project in the amount of \$34,386. No county funds are necessary to implement this new grant program.

The Hepatitis C Prevention and Control Project will assist our community in the realization of its goal for a comprehensive approach to hepatitis C education and outreach. These expanded components of our program will enhance on-going efforts to improve the prevention and treatment of hepatitis C in Santa Cruz County.

It is therefore RECOMMENDED that your Board:

1. Adopt the attached resolution authorizing the Health Services Administrator, or their designee – the Health Services Agency Director of Administration, to sign the State standard agreement with the California Department of Health Services for the Hepatitis C Prevention and Control Project in the amount of \$88,000; and
2. Direct the Clerk of the Board to forward two certified copies of the resolution authorizing signature of the State standard agreement to the Health Services Agency for processing to the State; and
3. Adopt the attached resolution accepting and appropriating \$39,845 in unanticipated revenue for the Hepatitis C Prevention and Control Project; and
4. Authorize the Health Services Agency to negotiate an agreement with the Santa Cruz AIDS Project for activities funded by the Hepatitis C Prevention and Control Project and return to your Board with the final agreement.

Sincerely,



Rama Khalsa, Ph.D.,  
Health Services Administrator

RECOMMENDED:



Susan A. Mauriello

County Administrative Officer

Attachments

cc: County Administrative Office  
Auditor-Controller  
County Counsel  
HSA Administration  
HSA Public Health Administration  
The Hepatitis C Task Force of Santa Cruz County

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

0285

**RESOLUTION NO. \_\_\_\_\_**

On the motion of Supervisor \_\_\_\_\_  
duly seconded by Supervisor \_\_\_\_\_  
the following resolution is adopted.

**RESOLUTION SUPPORTING THE HEPATITIS C PREVENTION AND CONTROL PROJECT AGREEMENT  
BETWEEN THE STATE DEPARTMENT OF HEALTH SERVICES AND THE  
COUNTY OF SANTA CRUZ HEALTH SERVICES AGENCY**

**WHEREAS**, the County of Santa Cruz desires to expand testing and education and prevention services to persons with known or newly-detected hepatitis C infection to help prevent or limit the progression of the disease; and

**WHEREAS**, the State of California has awarded grant funding to the County of Santa Cruz to design and implement a project to deliver said services; and

**WHEREAS**, the Board of Supervisors of Santa Cruz County desires to enter into an Agreement between the State of California, Department of Health Services, and the County of Santa Cruz for the period of February 1, 2002, until March 31, 2003, for purposes of fulfilling these work objectives.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that the County of Santa Cruz Board of Supervisors, hereby authorizes the Health Services Administrator, or his or her designee - the Health Services Agency Director of Administration, to sign and execute the agreement between County of Santa Cruz and State of California, Department of Health Services for grant funding for Hepatitis C services.

**PASSED AND ADOPTED**, by the Board of Supervisors of the County of Santa Cruz, State of California, this 12<sup>th</sup> day of February, 2002, by the following vote:

AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSTAIN:	SUPERVISORS

\_\_\_\_\_  
Chair of the Board

ATTEST:

\_\_\_\_\_  
CLERK OF THE BOARD

APPROVED AS TO FORM:

*Harry A. Cherkhman III*  
Assistant County Counsel

Distribution:  
County Administrative Officer  
Auditor-Controller  
County Counsel  
Health Services Agency

BEFORE THE BOARD OF SUPERVISORS 0286  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor \_\_\_\_\_  
duly seconded by Supervisor \_\_\_\_\_  
the following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is a recipient of funds from State Dept. of Health Services for Hepatitis C Prevention and Control program; and

WHEREAS, the County is recipient of funds in the amount of \$ 39,845 which are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code Section 29130(c)/29064(b), such funds may be made available for specific appropriation by a four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, **BE IT RESOLVED** AND ORDERED that the Santa Cruz county Auditor-Controller accept funds in the amount of \$ 39,845 into

Department Health Services Agency

T/C	Index Number	Revenue Subobject Number	Account Name	Amount
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'see attached

and that such funds be and are hereby appropriated as follows:

T/C	Index Number	Expenditure Subobject Number	PRJ/UCD	Account Name	Amount
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see attached

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been) (will be) received within the current fiscal year.

By DN Department Head

Date 1/29/2

COUNTY ADMINISTRATIVE OFFICER

       Recommended to Board

☒ Not Recommended to Board

PASSED AND ADOPTED by the Board of **Supervisors of** the County **of** Santa Cruz,  
**State of** California, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_  
by the following vote (requires four-fifths vote for approval):

AYES : SUPERVISORS

NOES : SUPERVISORS

ABSENT: SUPERVISORS

Chairperson of the Board

ATTEST :

**Clerk of the Board**

APPROVED AS TO FORM:

~~County Counsel~~

APPROVED AS **TO** ACCOUNTING DETAIL:

Auditor-Controller

Distribution:

Auditor-Controller

County Council

County Administrative Officer

Originating Department

**HEALTH SERVICES AGENCY**  
**AUD-60 ATTACHMENT**  
**PUBLIC HEALTH- HEPATITIS C PREVENTION GRANT**

**FISCAL YEAR 2001-2002**

**REVENUES:**

T/C	Index Number	Revenue Subobject Number	Account Name	Amount
001	362700	682	ST AID-HEPATITIS GRANT	\$ 39,845
Total				\$ <u>39,845</u>

**APPROPRIATIONS:**

T/C	Index Number	Expenditure Subobject Number	PRJ/UCD	Account Name	Amount
021	362700	3100		REGULAR PAY	\$ 9,480
021	362700	3150		FICA	725
021	362700	3155		PERS	645
021	362700	3160		EMPLOYEE INSURANCE	1,190
021	362700	3432		OTHER MED MATERIAL & SUPPLIES	13,000
021	362700	3484		DUPLICATING	1,005
021	362700	3493		SUPPLIES	1,950
021	362700	3665		PROF & SPECIAL	8,600
021	362700	3975		SPECIAL DEPTL EXPENSE	1,500
021	362700	4110		SUBSCRIPT, BOOKS & EDUC MATERIALS	750
021	362700	4154		EDUCATION & TRAINING	500
021	362700	4166		MILEAGE	500
Total					\$ <u>39,845</u>

**COUNTY OF SANTA CRUZ**  
**REQUEST FOR APPROVAL OF AGREEMENT**

0289

TO: **Board of Supervisors**  
**County Administrative Office**  
**Auditor Controller**

FROM: HEALTH SERVICES AGENCY (Department)  
BY: [Signature] (Signature) 1/30/02 (Date)  
Signature certifies that appropriations/revenues are available

AGREEMENT TYPE (Check One)

Expenditure Agreement ☐

Revenue Agreement ☒

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

1. Said agreement is between the HEALTH SERVICES AGENCY - PUBLIC HEALTH (Department/Agency)  
and STATE DEPARTMENT OF HEALTH SERVICES, DISEASE INVESTIGATIONS AM5 SURVEILLANCE BRANCH (Name/Address)  
2151 Berkeley Way, Room 708, Berkeley, CA 94702
2. The agreement will provide

funding for the Hepatitis C Prevention and Control Project STATE CONTRACT #01-16259

3. Period of the agreement is from February 1, 2002 to March 31, 2003

4. Anticipated Cost is \$ n/a revenue ☐ Fixed ☐ Monthly Rate ☐ Annual Rate ☐ Not to Exceed

Remarks: total grant amount of \$88,000; FY 2001-2002 = \$39,845

5. Detail: ☐ On Continuing Agreements List for FY        . Page CC-        Contract No:        OR ☒ 1<sup>st</sup> Time Agreement  
☐ Section II No Board letter required, will be listed under Item 8  
☐ Section III Board letter required  
☐ Section IV Revenue Agreement

6. Appropriations/Revenues are available and are budgeted in 362700 (Index) 0682 (Sub object)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACHED COMPLETED AUD-74 OR AUD-60

Appropriations ~~are~~ ~~available and~~ ~~have been~~ ~~encumbered.~~  
~~are not~~ ~~will be~~

Contract No: 2767

By: [Signature]  
Auditor-Controller Deputy

Date: 1/31/02

Proposal and accounting detail reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize

Health Services Administrator (Dept/Agency Head) to execute on behalf of the

Health Services Agency

(Department/Agency)

Date: 2/09/02

By: [Signature]  
County Administrative Office

Distribution:

Board of Supervisors - White  
Auditor Controller - Canary  
Auditor-Controller - Pink  
Department - Gold

State of California  
County of Santa Cruz

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 ap-  
proved by said Board of Supervisors as recommended by the County Administrative Office by an  
order duly entered in the minutes of said Board on        20      

ADM - 29 (8/01)  
Title ☒ Section 300 Proc Man

By: Deputy Clerk

AUDITOR-CONTROLLER USE ONLY

CO        \$         
Document No. JE Amount Lines H/TL Keyed By Date

TC110        \$         
Auditor Description Amount Index Sub object User Code

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Department of Health Services

CONTRACTOR'S NAME

County of Santa Cruz

2. The term of this Agreement is: February 1, 2002 through March 31, 2003

3. The maximum amount of this Agreement is: **\$88,000**  
Eighty Eight Thousand Dollars

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	8 pages
Exhibit B – Budget Detail and Payment Provisions	2 pages
Exhibit B, Attachment I – Budget Detail Worksheet	1 pages
Exhibit B, Attachment II – Sample Quarterly Invoice	2 pages
Exhibit C * – General Terms and Conditions	<u>GTC201 dated 2/20/01</u>
Exhibit D(S) – Special Terms and Conditions (Attached hereto as part of this agreement)	18 pages
Exhibit E – Additional Provisions	1 page
Exhibit E, Attachment I – Sample Quarterly Progress Report	1 page
Exhibit F – Contractor's Release	1 page
Exhibit G – Travel Reimbursement Information	2 pages
Exhibit H – Contract Equipment Purchased with DHS Funds	2 pages

Item: shown above with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.  
These documents can be viewed at <http://www.dgs.ca.gov/contracts>.

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

**CONTRACTOR**

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

County of Santa Cruz

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

1080 Emeline Avenue, Bldg. D, 2<sup>nd</sup> Floor, Santa Cruz, CA 95060

**STATE OF CALIFORNIA**

AGENCY NAME

California Department of Health Services

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

Edward Stahlberg, Chief, Program Support Branch

ADDRESS

1800 3rd. Street, Rm. 455, P.O. Box 942732, Sacramento, CA 94234-7320

**California Department of General  
Services Use Only**

☐ Exempt per:



**Exhibit A**  
**Scope of Work**

1. Contractor agrees to provide to the Department of Health Services (DHS) the services described herein:

Senate Bill 1256 requires the State Department of Health Services to develop and implement a public education and outreach program to raise awareness of hepatitis C. The bill addresses a growing public health concern, with as many as 500,000 Californians affected by the virus. The Department of Health Services has been directed to allocate at least 50% of the funds made available by this bill to outreach, education and testing efforts targeted at veterans. The Contractor will develop and implement public education and outreach programs aimed at high risk groups to raise awareness of the hepatitis C virus. Additionally, they will integrate hepatitis C counseling, education, and testing, into other public health programs, such as HIV and sexually transmitted disease programs.

2. The services shall be performed at applicable facilities in the County of Santa Cruz.
3. The services shall be provided during County working hours and days.
4. The project representatives during the term of this agreement will be:

**Department of Health Services**

Lori Fries  
Telephone: (510) 540-2022  
Fax: (510) 540-2327

**Contractor**

Rama Khalsa  
Telephone: (831) 454-4471  
Fax: (831) 454-4770

Direct all inquiries to:

**Department of Health Services**

Disease Investigations and Surveillance Branch

Attention: Christina Crede Mellin  
2151 Berkeley Way, Room 708  
Berkeley, CA 94704

**Contractor**

County of Santa Cruz  
Health Services Agency  
Attention: Betsy McCarty  
1080 Emeline Ave., Bldg. D, 2<sup>nd</sup> Floor  
Santa Cruz, CA 95060

Telephone: (510) 540-2022  
Fax: (510) 540-2327

Telephone: (831) 454-4490  
Fax: (831) 454-4488

Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

**SCOPE OF WORK**

**Goal 1: Persons at high risk for Hepatitis C will reduce their risk to prevent Hepatitis C infection and transmission.**

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
<b>Objective 1:</b> By 3/15/02, HSA test counselors will integrate HCV risk reduction counseling into all HIV test counseling sessions with those individuals at risk for HCV at drug/alcohol treatment centers, detentions facilities and transitional housing sites. Counselors will offer the HCV test to those at risk and provide the test to clients who accept.	<p><b>Activity 1a:</b> The Program Coordinator (PC) or designated staff will amend HIV Test Program Protocols to include HCV testing and counseling policies and procedures</p> <p><b>Activity 1b:</b> The PC will conduct an initial evaluation one month after the implementation of HCV risk reduction counseling and testing of all Test Counselors performing HCV risk reduction counseling and testing to assess effectiveness and skill level.</p> <p><b>Activity 1c:</b> HIV Test Counselors will document HCV risk reduction and HCV testing sessions on the HIV risk assessment forms and clerical staff will keep count and document number of sessions on a monthly basis.</p>	<p>2-01-02 to 3-15-02</p> <p>3-15-02 to 4-15-02</p> <p>3-1-02 to 1-31-03</p>	<p>HIV/HCV testing protocols will be maintained on file.</p> <p>PC will keep written notes from evaluations of test counselors.</p> <p>HIV risk assessment forms will be reviewed and number of HCV assessments and tests will be documented</p>

## Exhibit A

### Scope of Work

0293

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
<p><b>Objective 2:</b> By 1/31/03, 345 HCV tests will be administered to individuals at high risk for HCV at HIV testing sites, drug/alcohol treatment centers, detention facilities and transitional housing sites.</p>	<p><b>Activity 2a:</b> The PC and clerical staff will monitor the number of tests provided on a monthly basis.</p> <p><b>Activity 2b:</b> Incentives such as phone cards will be given to those individuals who agree to test and will be utilized to encourage participants at transitional housing sites to return for their results.</p> <p><b>Activity 2c:</b> During one month in the grant year individuals who receive an HCV test will be offered a client satisfaction survey.</p> <p><b>Activity 2d:</b> At monthly test counselor meetings staff will have ongoing opportunity to problem solve issues related to HCV testing and counseling.</p>	<p>3-01-02 to 1-31-03</p> <p>3-1-02 to 1-31-03</p> <p>3-01-02 to 1-31-03</p> <p>3-01-02 to 1-31-03</p>	<p>Clerical staff will log number of HCV tests provided and report to PC on a monthly basis.</p> <p>Number of incentives given will be kept on file.</p> <p>Satisfaction surveys completed by individuals tested for HCV will be kept on file.</p> <p>Sign in sheets and minutes from test counselor meetings will be kept on file.</p> <p>Records of client sessions, information and referrals given will be maintained on file.</p>
<p><b>Objective 3:</b> By 1/31/03, a minimum of 35 individuals who have recently received an HCV + result will be offered face-to-face counseling from a HCV educator and receive educational information, referrals to treatment centers and other available resources.</p>	<p><b>Activity 3a:</b> The SCAP subcontractor staff will arrange to meet with all newly identified HCV+ clients referred from the test counselor from the treatment centers, detention facilities and transitional housing sites, and will provide educational resource and referral sessions.</p> <p><b>Activity 3b:</b> The counselor will maintain records to document the number of sessions conducted and referrals given.</p>	<p>3-1-02 to 1-31-03</p> <p>3-1-02 to 1-31-03</p>	

**Exhibit A**  
**Scope of Work**

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
<p><b>Objective 4:</b> By 1/31/03, 35 individuals who recently tested HCV+ will be offered Partner Counseling Referral and Notification Services to their needle-sharing partners.</p>	<p><b>Activity 4a:</b> The PC or designated staff will adapt the California DHS HIV PCRS model for HCV partner counseling and referral services.</p> <p><b>Activity 4b:</b> The PC will train staff on how to offer HCV PCRS to HCV positive clients with at risk needle sharing partners.</p> <p><b>Activity 4c:</b> Disease Control Unit staff trained in contract tracing and partner notification will follow up on requests for and conduct any field notifications.</p>	<p>2-1-02 to 3-15-02</p> <p>2-1-02 to 3-15-02</p> <p>3-1-02 to 1-31-03</p>	<p>PCRS policies and procedures will be kept on file.</p> <p>Records of all clients offered and those who accept PCRS will be kept on file.</p>
<p><b>Objective 5:</b> By 1/31/03, 60 group education sessions on HCV prevention and transmission will be provided at alcohol/drug treatment centers and transitional housing sites in order to encourage HCV testing among at risk populations.</p>	<p><b>Activity 5a:</b> SCAP subcontractor staff will participate in HCV training with HSA HIV test counselors.</p> <p><b>Activity 5b:</b> SCAP subcontractor staff will coordinate with HSA HIV prevention staff for scheduling educational presentations at alcohol and drug treatment centers and transitional housing sites.</p> <p><b>Activity 5c:</b> SCAP subcontractor staff will conduct monthly educational sessions. (Monthly at alcohol/drug treatment centers and transitional housing sites)</p>	<p>2-15-02 to 1-31-03</p> <p>2-1-02 to 1-31-03</p> <p>2-1-02 to 1-31-03</p>	<p>Sign in sheet of HCV training will be kept on file.</p> <p>Documentation of scheduled presentations will be kept on file.</p> <p>Outline of presentation will be maintained on file.</p>

**Exhibit A**  
**Scope of Work**

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
Objective 5, cont:	<b>Activity 5d.</b> SCAP subcontractor staff will administer pre/post tests to individuals receiving group education, along with referrals for HCV testing.	2-1-02 to 1-31-03	Pre and post tests will be scored and kept on file.
<b>Objective 6:</b> By 1/31/03, an HSA staff member will attempt to contact all of the 377 eligible HCV+ individuals in the HSA database including 281 who are over the age of 47 and the 96 known Veterans and offer educational information, referrals and resources to support groups, and medical care.	<b>Activity 6a:</b> An HPS will research the database and make contact with at least 75% of the 377 eligible HCV+ clients by phone or letter and offer resource referral sessions to all clients who accept the referral.	2-01-02 to 1-31-03	Documentation of all clients contacted and services provided will be kept on file.
	<b>Activity 6b:</b> It is anticipated that approximately 50% of those eligible HCV+ clients offered HCV resource referral sessions will accept the referral. The HPS will strive to provide at least 141 HCV+ clients with a resource referral session.	2-1-02 to 1-31-03	
	<b>Activity 6c:</b> For those clients not interested in a face to face session, the HPS will offer to mail information to the client.	2-1-02 to 1-31-03	
	<b>Activity 6d:</b> The HPS will keep written documentation of all contacts and resource referral sessions	2-1-02 to 1-31-03	

**Exhibit A**  
**Scope of Work**

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
<b>Objective 7:</b> By 2/15/02, coordinate with Veterans Administration to provide HCV Services to 200 Veterans who live in Santa Cruz County.	<b>Activity 7a:</b> HSA staff will contact Veterans Administration staff and finalize plans to offer testing to the Veterans that live in Santa Cruz County. <b>Activity 7b:</b> HSA staff will collaborate with the local VA to plan educational events where HCV testing is offered.	2-1-02 to 2-15-02  2-15-02 to 1-31-03	Notes from all meetings with the VA will be kept on file.  Curriculum outline and documentation of number of Veterans reached at educational sessions will be kept on file.
<b>Objective 8:</b> By 1/31/03 HSA staff will administer 200 HCV tests to Veterans at high risk for HCV.	<b>Activity 8a:</b> VA staff will coordinate with HSA staff to provide HCV pre and post-test counseling and HCV tests to Veterans who live in Santa Cruz County. <b>Activity 8b:</b> Incentives such as phone cards will be given to individuals at the completion of testing.	2-1-02 to 1-31-03  Ongoing	All HCV tests will be documented and a log will be maintained on file.  Number of incentives given will be kept on file

0296

## Exhibit A

### Scope of Work

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
<p><b>Objective 9:</b> By 1/31/03, a minimum of 20 Veterans who have recently received an HCV + result will be offered face-to-face counseling from a counselor and receive educational information, referrals to treatment centers and other available resources.</p>	<p><b>Activity 9a:</b> VA staff will meet with the anticipated 20 newly identified HCV+ Veterans referred from VA testing, and will provide each client with an educational, resource and medical referral session.</p> <p><b>Activity 9b:</b> Staff will maintain records to document the number of sessions conducted and referrals given.</p>	<p>2-1-02 to 1-31-03</p> <p>3-1-02 to 1-31-03</p>	<p>Records of client sessions, information and referrals given will be maintained on file.</p>
<p><b>Objective 10:</b> By 1/31/03, 20 Veterans who recently tested HCV+ will be offered Partner Counseling Referral and Notification Services to their needle-sharing partners.</p>	<p><b>Activity 10a:</b> The PC or designated staff will adapt the California DHS HIV PCRS model for HCV partner counseling and referral services.</p> <p><b>Activity 10b:</b> The PC will train HSA and VA staff on how to offer HCV PCRS to HCV positive<sup>a</sup> clients with at risk needle sharing partners.</p> <p><b>Activity 10c:</b> Disease Control Unit staff trained in contract tracing and partner notification will follow up on requests for and conduct any field notifications.</p>	<p>2-1-02 to 3-31-02</p> <p>2-1-02 to 3-15-02</p> <p>3-1-02 to 1-31-03</p>	<p>Records of all clients offered and those who accept PCRS will be kept on file.</p>

Exhibit A  
Scope of Work

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES
<b>Objective 11:</b> By 1/31/03, all data collected from HCV+ individuals will be entered in the HSA HCV database for data analysis, to assist with program planning and provide on-going surveillance.	<b>Activity 11a:</b> The PC will train clerical staff on how to fill out the Confidential Morbidity Report (CMR) for all HCV positive individuals.	2-1-02 to 3-1-02	Clerical staff will log all CMR's completed and sent to Disease Control Unit.
	<b>Activity 11b:</b> Clerical staff will send all CMR's to the HSA Disease Control Unit.	3-1-02 to 1-31-03	All reports issued from database on HCV will be kept on file.
	<b>Activity 11c:</b> Disease Control Unit staff will enter all HCV+ data into database.	3-1-02 to 1-31-03	
	<b>Activity 11d:</b> HSA Epidemiologist will add data field to capture Veteran status in HCV database.	2-1-02 to 1-31-03	
	<b>Activity 11e:</b> HSA Epidemiologist will query database for reports on local HCV data.	8-1-02 to 1-31-03	

0298



**Exhibit B**  
**Budget Detail and Payment Provisions**

0299

**1. Invoicing and Payment**

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than quarterly in arrears to:

Department of Health Services  
Disease Investigations and Surveillance Branch  
Attn: Christina Mellin  
2151 Berkeley Way, Room 708  
Berkeley, CA 94704

Please see Attachment II of this exhibit for an example of the format for program specific payment and invoice instructions.

- C. Invoices shall:

Be prepared on company letterhead.  
Bear the Contractor's name as shown on the agreement.  
Identify the billing and/or performance period covered by the invoice.  
Itemize allowable costs for the billing period.  
Be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this contract.

**2. Budget Contingency Clause**

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**3. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**4. Amounts Payable**

- A. The amounts payable under this agreement shall not exceed \$88,000 for the budget period of 02/01/02 through 03/31/03.

**Exhibit B**  
**Budget Detail and Payment Provisions**      **0300**

- B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which were authorized.
- C. The Contractor must maintain records reflecting actual expenditures for the period of time covered by the term of this agreement.

**5. Timely Submission of Final Invoice**

- A. A final undisputed invoice shall be submitted for payment no more than thirty (30) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding.
- B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "Contractor's Release (Exhibit F)" acknowledging submission of the final invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this agreement.

**6. Allowable Line Item Shifts**

- A. Cumulative line item shifts of up to \$25,000 or 10% of the annual agreement total may be made, whichever is greater, up to a cumulative annual maximum of \$50,000, provided the annual agreement total does not increase or decrease.
- B. Line item shifts meeting this criteria shall not require a formal agreement amendment.
- C. Contractor shall adhere to State requirements regarding the process to follow in requesting approval to make line item shifts.
- D. Line item shifts may be proposed/requested by either the State or the Contractor,

**7. Additional Provisions:**

A Quarterly Progress Report will be required as a supplement to the Quarterly Invoice. The Quarterly Progress Report will include an explanation of expenses related to the completion of activities for the quarter.

Please see Exhibit E, Attachment I for a sample of this report.

Exhibit B  
Attachment I

0301

BUDGET DETAIL WORKSHEET  
FEBRUARY ■ 2002 – MARCH 31.2003

Personnel

<u>Position Title and No. of each</u>	<u>Salary Rate/Range</u>	<u>FTE%</u>	<u>Annual Cost</u>
1 Program Coordinator	\$2,940-3,992	10%	\$ 4,447
1 Health Program Specialist	\$2,584-3,554	50%	\$17,638
1 Administrative Aide	\$2,498-3,444	10%	\$ 3,536

Total Personnel \$ 25,621

Fringe Benefits (27% of Personnel)

Total Benefits \$ 6,918

Operating Expenses

<u>Expense Description</u>	<u>cost</u>
Hepatitis C Tests	\$13,000
Training	\$ 500
Educational Material/Printing	\$ 750
Workstation (desk, chair, comp)	\$ 1,500

Total Operating \$ 15,750

Travel

Total Travel \$ 500

Subcontracts

Name of Subcontractor: Santa Cruz AIDS Project, Inc.

<u>Personnel</u>	<u>Gen. Exp.</u>	<u>Travel</u>	<u>Subcontracts</u>	<u>Indirect Costs</u>	<u>Total Cost</u>
\$27,727	\$ 1,300	\$1,200	\$ 0	\$4,159	\$34,386

Name of Subcontracted Project (if Subcontractor is unknown):

\$ 0  
\$ 0

Total Subcontracts \$ 34,386

Other Costs

<u>Item Description</u>	<u>Estimated Cost</u>
Incentives	\$ 1,800

Total Other Costs \$ 1,800

Indirect Costs (9% of total Personnel and Benefits Costs) Total Indirect Costs \$ 3,025

Total Costs \$ 88,000

Exhibit B  
Attachment II  
Sample Invoice

302  
County of Santa Cruz  
01-16259

Contractor Name: County of Santa Cruz

For Quarter: 2/1/02 to 4/30/02

INVOICE # \_\_\_\_\_

**BUDGET ITEM**  
**Personnel:**

**COST**

Position Title

1 Program Coordinator \$ \_\_\_\_\_

1 Health Program Specialist \$ \_\_\_\_\_

1 Administrative Aide \$ \_\_\_\_\_

Fringe Benefits \$ \_\_\_\_\_

Total Personnel Cost: \$ \_\_\_\_\_

**Operating Expenses:**

Expense Description

Cost

Hepatitis C Tests \$ \_\_\_\_\_

Training \$ \_\_\_\_\_

Educational Material/Printing \$ \_\_\_\_\_

Workstation \$ \_\_\_\_\_

Total Operating Expenses: \$ \_\_\_\_\_

**Travel:** Total Travel \$ \_\_\_\_\_

**Subcontracts:**

Name of Subcontractor:

**Santa Cruz AIDS Project, Inc.**

Detail of Expenses:

Total Personnel Cost: \$ \_\_\_\_\_

General Expenses: \$ \_\_\_\_\_

Travel Expenses: \$ \_\_\_\_\_

Indirect Costs: \$ \_\_\_\_\_

Total Subcontract Cost \_\_\_\_\_

**Exhibit B  
Attachment II  
Sample Invoice**

County of Santa Cruz  
01-16259

**BUDGET ITEM**

**COST**

0303

**Other Costs:** Incentives

\$ \_\_\_\_\_

**Indirect Costs:**

\_\_\_\_\_

**Total Quarterly Expense:**

\$ \_\_\_\_\_

**Signature**

\_\_\_\_\_

**Title**

\_\_\_\_\_

**Special Terms and Conditions**

0304

*(For State funded subvention, local assistance and direct service contracts and grant agreements)*

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or govern the meaning of any specific term or condition. The terms "contract", "Contractor" and "Subcontractor" shall also mean "grant", "Grantee" and "Subgrantee" respectively.

**Index of Special Terms and Conditions**

1. Travel and Per Diem Reimbursement
2. Procurement Rules
3. Equipment Ownership / Inventory / Disposition
4. Subcontract Requirements
5. Income Restrictions
6. Audit and Record Retention
7. Site Inspection
8. Intellectual Property Rights
9. Prior Approval of Training Seminars, Workshops, or Conferences
10. Confidentiality of Information
11. Documents, Publications and Written Reports
12. Dispute Resolution Process
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14. Novation Requirements
15. Payment Withholds
16. Performance Evaluation
17. Officials Not to Benefit
18. Year 2000 Compliance
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20. University of California Mutual Indemnification
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22. Contract Uniformity (Fringe Benefit Allowability)

**1. Travel and Per Diem Reimbursement**

0305

(Applicable if travel and/or per diem expenses are reimbursed with contract funds.)

Reimbursement for travel and per diem expenses from DHS under this agreement shall, unless otherwise specified in this agreement, be at the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for nonrepresented state employees. If the DPA rates change during the term of the agreement, the new rates shall apply upon their effective date and no amendment to this agreement shall be necessary. Exceptions to DPA rates may be approved by DHS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior written authorization from DHS.

**2. Procurement Rules**

(Applicable to all agreements in which equipment, miscellaneous property, commodities and/or supplies are furnished by DHS or expenses for said items are reimbursed with state funds.)

**a. Equipment definitions**

Wherever the term equipment and/or miscellaneous property is used, the following definitions shall apply:

- (1) **Major equipment:** A tangible or intangible item having a base unit cost of \$5,000 or more with a life expectancy of one (1) year or more and is either furnished by DHS or the cost is reimbursed through this agreement. Software and videos are examples of intangible items that meet this definition.
- (2) **Minor equipment:** A tangible item having a base unit cost of less than \$5,000 with a life expectancy of one (1) year or more that is listed on the DHS Asset Management Unit's Minor Equipment List and is either furnished by DHS or the cost is reimbursed through this agreement. Contractors may obtain a copy of the Minor Equipment List by making a request through the DHS program contract manager.
- (3) **Miscellaneous property:** A specific tangible item with a life expectancy of one (1) year or more that is either furnished by DHS or the cost is reimbursed through this agreement. Examples include, but are not limited to: furniture (excluding modular furniture), cabinets, typewriters, desktop calculators, portable dictators, non-digital cameras, etc.

- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this agreement. Said procurements are subject to Paragraphs d through h of Provision 2. Paragraph c of Provision 2 shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such purchases for performance under this agreement.

- (1) Equipment purchases shall not exceed \$50,000 annually.

To secure equipment above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate DHS program contract manager, to have all remaining equipment purchased through DHS' Purchasing Unit. The cost of equipment purchased by or through DHS shall be deducted from the funds available in this agreement. Contractor shall submit to the DHS program contract manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with DHS. The equipment will be delivered to the Contractor's address, as stated on the face of the agreement, unless the

Contractor notifies the DHS program contract manager, in writing, of an alternate delivery address.

- (2) All equipment purchases are subject to Paragraphs d through h of Provision 2. Paragraph b of Provision 2 shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.
- (3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:
  - (a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement contract in which, to his or her knowledge, he or she has a financial interest.
  - (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
  - (c) Procurements shall be conducted in a manner that provides for all of the following:
    - [1] Avoid purchasing unnecessary or duplicate items.
    - [2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
    - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by DHS, prior written authorization from the appropriate DHS program contract manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by DHS (e.g., when DHS has a need to monitor certain purchases, etc.), DHS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHS determines to be unnecessary in carrying out performance under this agreement.
- f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time.
- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 2 by giving the Contractor no less than 30 calendar days written notice.



### 3. Equipment Ownership/ Inventory / Disposition

(Applicable to agreements in which equipment and/or miscellaneous property is furnished by DHS and/or when said items are purchased or reimbursed with state funds.)

- a. Wherever the term equipment and/or miscellaneous property is used in Provision 3, the definitions in Provision 2, Paragraph a shall apply.

All equipment and/or miscellaneous property that are purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement and not fully consumed in performance of this agreement shall be considered state equipment and the property of DHS.

- (1) DHS requires the reporting, tagging and annual inventorying of all equipment and/or miscellaneous property that is furnished by DHS or purchased/reimbursed with funds provided through this agreement.

Upon receipt of equipment and/or miscellaneous property, the Contractor shall report the receipt to the DHS program contract manager. To report the receipt of said items and to receive property tags, the Contractor shall use a form or format designated by DHS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHS Funds) does not accompany this agreement, Contractor shall request a copy from the DHS program contract manager.

- (2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or miscellaneous property to the DHS program contract manager using a form or format designated by DHS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHS-Funded Equipment) does not accompany this agreement, Contractor shall request a copy from the DHS program contract manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or miscellaneous property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).

- (b) Submit the inventory report to DHS according to the instructions appearing on the form or issued by the DHS program contract manager.

- (c) Contact the DHS program contract manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or miscellaneous property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by DHS' Asset Management Unit.

- b. Title to state equipment and/or miscellaneous property shall not be affected by its incorporation or attachment to any property not owned by the State.

- c. Unless otherwise stipulated, DHS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or miscellaneous property.

- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or miscellaneous property.

- (1) In administering this provision, DHS may require the Contractor and/or Subcontractor to repair or replace, to DHS' satisfaction, any damaged, lost or stolen state equipment and/or miscellaneous property. In the event of state equipment and/or miscellaneous property theft, Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHS program contract manager.

- e. Unless otherwise stipulated by the program funding this agreement, equipment and/or miscellaneous property purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, shall only be used for performance of this agreement or another DHS agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this agreement, the Contractor shall provide a final inventory report of equipment and/or miscellaneous property to the DHS program contract manager and shall, at that time, query DHS as to the requirements, including the manner and method, of returning state equipment and/or miscellaneous property to DHS. Final disposition of equipment and/or miscellaneous property shall be at DHS expense and according to DHS instructions. Equipment and/or miscellaneous property disposition instructions shall be issued by DHS immediately after receipt of the final inventory report. At the termination or conclusion of this agreement, DHS may at its discretion, authorize the continued use of state equipment and/or miscellaneous property for performance of work under a different DHS agreement.

g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHS under this agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, within thirty (30) calendar days prior to the termination or end of this agreement, the Contractor and/or Subcontractor shall return such vehicles to DHS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this agreement or any period of contract extension during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

**Automobile Liability Insurance**

- (a) The Contractor, by signing this agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHS program contract manager.

- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this agreement or until such time as the motor vehicle is returned to DHS.
- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.
- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
  - [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Services).
  - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this agreement and any extension or continuation of this agreement.
  - [3] The insurance carrier shall notify the State of California Department of Health Services, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to the agreement number for which the insurance was obtained.
- (f) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS) Office of Risk and Insurance Management. The Contractor shall be notified by DHS, in writing, if this provision is applicable to this agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, DHS may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.

#### 4. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
  - (1) The Contractor must provide in its request for authorization, all particulars necessary for evaluating the necessity or desirability of incurring such cost.
  - (2) The State may identify the information needed to fulfill this requirement.
  - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
    - (a) A local governmental entity or the federal government,
    - (b) A State college or university from any State,
    - (c) A Joint Powers Authority,

- (d) An auxiliary organization of a California State University or a California community college,
  - (e) A foundation organized to support the Board of Governors of the California Community Colleges,
  - (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
  - (g) Entities of any type that will provide subvention aid or direct services to the public,
  - (h) Entities and/or service types identified as exempt from advertising in State Administrative Manual Section 1233, subsection 3. View this publication at the following internet address: <http://w.sam.dgs.ca.gov>.
- (4) Unless otherwise mandated by the funding agency (i.e., federal government), DHS may only pay the Contractor's overhead charges or indirect costs on the first \$25,000 of each subcontract.
- b. DHS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this agreement.
- (1) Upon receipt of a written notice from DHS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHS. DHS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHS.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this agreement and shall, upon request by DHS, make said copies available for approval, inspection, or audit.
- e. Sole responsibility rests with the Contractor to ensure that subcontractors, used in performance of this agreement, are paid in a timely manner. The timeliness of said payments may be affected by the timeliness of payments issued by DHS to the Contractor.
- f. The Contractor is responsible for all performance requirements under this agreement even though performance may be carried out through a subcontract.
- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- “(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHS, to permit DHS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.”*
- i. Unless otherwise stipulated in writing by DHS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this agreement.
- j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 17.

## 5. Income Restrictions

Unless otherwise stipulated in this agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor

under this agreement shall be paid by the Contractor to DHS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHS under this agreement.

## 6. Audit and Record Retention

(Applicable to agreements over \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures, and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purposes of this provision.
- b. The Contractor's and/or Subcontractor's facility or office or such part thereof as may be engaged in the performance of this agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Contractor agrees that DHS, the Department of General Services, the Bureau of State Audits, or their designated representatives shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this agreement. (GC 8546.7, CCR Title 2, Section 1896).
- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this agreement, or by subparagraphs (1) or (2) below.
  - (1) If this agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
  - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.
- f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this agreement, reduce its accounts, books and records related to this agreement to microfilm, computer disk, CD ROM, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

## 7. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

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## 8. Intellectual Property Rights

### a. Ownership

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

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**b. Retained Rights / License Rights**

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

**c. Copyright**

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Section a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement, shall include DHS' notice of copyright, which shall read in 3mm or larger typeface: "© 2001, State of California, Department of Health Services. This material may not be reproduced or disseminated without prior written permission from the Department of Health Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

**d. Patent Rights**

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

**e. Third-party Intellectual Property**

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

**f. Warranties**

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this agreement.
- (c) Neither Contractor's performance of this agreement, nor the exercise by either Party of the rights granted in this agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown,
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHS in this agreement.
- (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this agreement.

(2) DHS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.



**g. Intellectual Property Indemnity**

- (1) Contractor shall indemnify, defend and hold harmless DHS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by, Contractor or DHS and which result directly or indirectly from this agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this agreement. DHS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHS.
- (2) Should any Intellectual Property licensed by the Contractor to DHS under this agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHS' right to use the licensed Intellectual Property in accordance with this agreement at no expense to DHS. DHS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHS shall be entitled to a refund of all monies paid under this agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate DHS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHS would suffer irreparable harm in the event of such breach and agrees DHS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

**h. Federal Funding**

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

**i. Survival**

The provisions set forth herein shall survive any termination or expiration of this agreement or any project schedule.

## 9. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior **DHS** approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

## 10. Confidentiality of Information

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this agreement or persons whose names or identifying information become available or are disclosed to the Contractor, his/her employees, agents, or subcontractors as a result of services performed under this agreement, except for statistical information not identifying any such person.
- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHS program contract manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except as otherwise specifically permitted by this agreement or authorized by the client, any such identifying information to anyone other than DHS without prior written authorization from the DHS program contract manager.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

## 11. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contract communications) prepared as a requirement of this agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

## 12. Dispute Resolution Process

- a. A Contractor grievance exists whenever the Contractor believes there is a dispute arising from DHS' action in the administration of an agreement. If the Contractor believes there is a dispute or grievance between the Contractor and DHS, both parties shall follow the procedure outlined below.
  - (1) The Contractor should first discuss the problem informally with the DHS program contract manager. If the problem cannot be resolved at this stage, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall make a determination on the problem within ten (10) working days after receipt of the written communication from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons

therefore. Should the Contractor disagree with the Branch Chief's decision, the Contractor may appeal to the second level.

- (2) The Contractor must prepare a letter indicating the reasons for disagreement with Branch Chiefs decision. The Contractor shall include with the letter a copy of the Contractor's original statement of dispute with any supporting documents and a copy of the Branch Chief's response. This letter shall be sent to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division funding this agreement or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division funding this agreement or his/her designee shall be returned to the Contractor within twenty (20) working days of receipt of the Contractor's letter.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division funding this agreement or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5, commencing with Section 251, California Code of Regulations.)
- c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
- d. Unless otherwise stipulated by DHS, dispute, grievance and/or appeal correspondence shall be directed to the DHS program contract manager.

### 13. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code section 38020). Direct service contracts shall not include contracts, grants, or subventions to other governmental agencies or units of government nor contracts with regional centers or area agencies on aging (See H&S Code section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
  - (1) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives \$25,000 or more from any State agency under a direct service contract; the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. **or**
  - (2) If the Contractor is a nonprofit Organization (as defined in H&S Code section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract, the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. **or**
  - (3) If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$300,000 or more in Federal awards, the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The requirements of this provision apply if:

- (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
- (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.
- d. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year. Two copies of the audit report shall be delivered to the DHS program funding this agreement. The audit report must identify the Contractor's legal name and the number assigned to this agreement. The report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHS program contract manager shall forward the audit report to DHS' Audits and Investigations Unit.
- e. The cost of the audits described herein may be included in the funding for this agreement up to the proportionate amount this agreement represents of the Contractor's total revenue. The DHS program funding this agreement must provide advance written approval of the specific amount allowed for said audit expenses.
- f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
- g. Nothing in this agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
- h. Nothing in this provision limits the authority of the State to make audits of this contract, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
- i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.

#### 14. Novation Requirements

If the Contractor proposes any novation agreement, DHS shall act upon the proposal within 60 days after receipt of the written proposal. DHS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHS will initiate an amendment to this agreement to formally implement the approved proposal.

#### 15. Payment Withholds

(Applicable only if a final report is required by this agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this agreement, DHS may, at its discretion, withhold 10 percent (10%) of the face amount of the contract, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHS receives a final report that meets the terms, conditions and/or scope of work requirements of this agreement.

#### 16. Performance Evaluation

(Not applicable to grant agreements.)

DHS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain

on file with DHS. Negative performance evaluations may be considered by DHS prior to making future contract awards.

#### **17. Officials Not to Benefit**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this agreement if made with a corporation for its general benefits.

#### **18. Year 2000 Compliance**

(Applicable to agreements in which Information Technology (IT) services are provided to DHS or if IT equipment is procured.)

The Contractor warrants and represents that the goods or services sold, leased, or licensed to the State of California, its agencies, or its political subdivisions, pursuant to this agreement are "Year 2000 Compliant." For the purposes of this agreement, a good or services is Year 2000 compliant if it will continue to fully function before, at, and after the Year 2000 without interruption and, if applicable, with full ability to accurately and unambiguously process, display, compare, calculate, manipulate, and otherwise utilize date information. This warranty and representation supersedes all warranty disclaimers and limitations and all limitations on liability provided by or through the Contractor.

#### **19. Prohibited Use of State Funds for Software**

(Applicable to agreements in which computer software is used in performance of the work.)

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

#### **20. University of California Mutual Indemnification**

(Applicable only to agreements entered with the Regents of the University of California or a University of California campus under its jurisdiction.)

- a. The State and the Regents of the University of California shall mutually defend, indemnify and hold each other and their respective agencies, officers, employees, and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of either the State or the Regents of the University of California.
- b. It should be expressly understood that the obligations hereunder shall be conditioned upon this contract being one that falls within the purview of Section 895 of the Government Code.

#### **21. Union Organizing**

(Applicable only to grant agreements.)

Grantee, by signing this agreement, hereby acknowledges the applicability of Government Code 16645 through 16649 to this agreement. Furthermore, Grantee, by signing this agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.

- c. Grantee shall, where state funds are not designated as described in 2 above, allocate, on a pro-rata basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

## 22. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. **As** used herein, fringe benefits do not include:
  - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
  - (2) Director's and executive committee member's fees.
  - (3) Incentive awards and/or bonus incentive pay.
  - (4) Allowances for off-site pay.
  - (5) Location allowances.
  - (6) Hardship pay.
  - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
  - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, ~~SDI~~), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
  - (1) Be necessary and reasonable for the performance of the agreement.
  - (2) Be determined in accordance with generally accepted accounting principles.
  - (3) Be consistent with policies that apply uniformly to all activities of the Contractor,
- e. Contractor agrees that all fringe benefits shall be at actual cost.
- f. Earned/Accrued Compensation
  - (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
  - (2) For multiple year contracts, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the agreement. Holidays cannot be carried over from one contract year to the next. See f Provision (3)(b) for an example.

- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that ~~is~~ the maximum amount that may be claimed during a contract period of one year. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of the agreement, the Contractor during a one-year agreement term may only claim up to three weeks of vacation and twelve days of sick leave actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

**Exhibit E**  
**Additional Provisions**

County of Santa Cruz  
**01-16259**

**1. Contract Amendments**

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

**2. Cancellation / Termination**

- A. This agreement may be cancelled by DHS without cause upon 30 calendar days advance written notice to the contractor.
- B. DHS reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if DHS substantially fails to perform its responsibilities as provided herein.
- C. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in DHS' notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

**3. Avoidance of Conflicts of Interest by Contractor**

- A. The Contractor agrees that all reasonable efforts will be made to ensure that no conflict of interest exists between its officers, agents, employees, consultants or members of its governing body.
- B. The Contractor shall prevent its officers, agents, employees, consultants or members of its governing body from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others such as those with whom they have family, business or other ties.
- C. In the event that DHS determines that a conflict of interest situation exists, any cost associated with the conflict may constitute grounds for termination of this agreement. This provision shall not be construed to prohibit the employment of persons with whom the Contractor's officers, agents, or employees have family, business or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant and such persons have successfully competed for employment with other applicants on a merit basis.

**4. Quarterly Progress Reports and Final Report**

A Quarterly Progress Report must be submitted with each Quarterly Invoice. Please see Exhibit E, Attachment I for a sample format of the Quarterly Progress Report. Include copies of all Risk Assessment Forms prepared by program participants with each Quarterly Progress Report. A narrative Final Report will also be required at the end of the program period, no later than April 30, 2003.



## SAMPLE QUARTERLY PROGRESS REPORT

For Quarter: 2/1/02 - 4/30/02

CONTRACTOR: County of Santa Cruz

### PROGRESS BY OBJECTIVE AND ACTIVITY:

**Goal 1: Goal 1: Persons at high risk for Hepatitis C will reduce their risk to prevent Hepatitis C infection and transmission.**

OBJECTIVES	METHODS/ACTIVITIES	TIMELINE	EVALUATION/TRACKING MEASURES	STATUS: COMPLETE/INCOMPLETE
<p><b>Objective 1:</b> By 3/15/02, HSA test counselors will integrate HCV risk reduction counseling into all HIV test counseling sessions with those individuals at risk for HCV at drug/alcohol treatment centers, detentions facilities and transitional housing sites. Counselors will offer the HCV test to those at risk and provide the test to clients who accept.</p>	<p><b>Activity 1a:</b> The Program Coordinator (PC) or designated staff will amend HIV Test Program Protocols to include HCV testing and counseling policies and procedures</p> <p><b>Activity 1b:</b> The PC will conduct an initial evaluation one month after the implementation of HCV risk reduction counseling and testing of all Test Counselors performing HCV risk reduction counseling and testing to assess effectiveness and skill level.</p> <p><b>Activity 1c:</b> HIV Test Counselors will document HCV risk reduction and HCV testing sessions on the HIV risk assessment forms and clerical staff will keep count and document number of sessions on a monthly basis.</p>	<p>2-01-02 to 3-15-02</p> <p>3-15-02 to 4-15-02</p> <p>3-1-02 to 1-31-03</p>	<p>HIV/HCV testing protocols will be maintained on file.</p> <p>PC will keep written notes from evaluations of test counselors.</p> <p>HIV risk assessment forms will be reviewed and number of HCV assessments and tests will be documented</p>	<p>COMPLETE</p> <p>COMPLETE</p> <p>ONGOING</p>

Include narrative and attachments as appropriate. Submit with Quarterly Invoice.

prepared by

## Contractor's Release

### Instructions to Contractor:

With final invoice(s) submit one (1) original and two (2) copies. The original must bear the original signature of a person authorized to bind the Contractor. The additional copies may bear photocopied signatures.

### Submission of Final Invoice

Pursuant to contract number 01-16259 entered into between the State of California Department of Health hereby Services and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via invoice number(s) \_\_\_\_\_, in the amount(s) of \$ \_\_\_\_\_ and dated \_\_\_\_\_. If necessary, enter "See Attached" in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

### Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

### Repayments Due to Audit Exceptions / Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment, will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

### Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a percentage (0% to 100%) of the materials, goods, supplies or products offered or used in the performance of the above referenced contract meets or exceeds the minimum percentage of recycled material, as defined in Public Contract Code Sections 12161 and 12200.

### Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHS or purchased with or reimbursed by contract funds)

Unless DHS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHS, at DHS's expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

### Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

Contractor's Legal Name (As on contract): County of Santa Cruz

Signature of Contractor or Official Designee: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name/Title of Person Signing: \_\_\_\_\_

DHS Distribution:    Accounting (Original)    Program    CMU contract file

Department of Health Services

**Travel Reimbursement Information**  
**Effective November 1, 1999**

0325

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract.
  - a. Reimbursement shall be at the rates established for nonrepresented/excluded state employees.
  - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of special assignments.
  - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on page 2 of this exhibit to determine the reimbursement allowance. All lodging must be receipted. If contractor does not present receipts, lodging will not be reimbursed.

## (1) Lodging (with receipts):

Travel Location / Area	Reimbursement Rate
Statewide Non-High Cost Area	\$ 84.00 plus tax
High Cost Areas including the following counties: Alameda, San Francisco, San Mateo, Santa Clara and Central and Western Los Angeles (L.A.). Central and Western L.A. is the territory bordered by Sunset Blvd. On the north, the Pacific Ocean on the West, Imperial Blvd./Freeway 105 on the South and Freeways 110, 10, and 101 on the East.  Central and Western L.A. includes downtown L.A., Englewood, L.A. International Airport, Playa del Rey, Venice, Santa Monica, Brentwood, West L.A., Westwood Village, Culver City, Beverly Hills, Century City, West Hollywood and Hollywood.	\$110.00 plus tax

Reimbursement for actual lodging expenses exceeding the above amounts may be allowed with the advance written approval of the Deputy Director of the Department of Health Service or his or her designee. Receipts are required.

- (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the contractor will be reimbursed actual amounts spent up to the maximum.

Meal / Expense	Reimbursement Rate
Breakfast	\$ 6.00
Lunch	\$ 10.00
Dinner	\$ 18.00
Incidental	\$ 6.00

- d. Out-of-state travel may only be reimbursed if such travel has been stipulated in the contract and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors must have prior Departmental approval and a budgeted trip authority.
- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on page 2 of this bulletin.
- f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.

2. If any of the reimbursement rates stated herein are changed by the Department of Personnel Administration, no formal contract amendment will be required to incorporate the new rates. However, DHS shall inform the contractor, in writing, of the revised travel reimbursement rates.
3. For **transportation** expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
4. **Note on use of autos:** If a contractor uses his or her car for transportation, the rate of pay will be 31 cents maximum per mile. If the contractor is a person with a disability who must operate a motor vehicle on official state business and who can operate only specially equipped or modified vehicles may claim a rate of 31 cents per mile without certification and up to 37 cents per mile with certification. If a contractor uses his or her car "in lieu of" air fair, the air coach fair will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the state. Gasoline and routine automobile repair expenses are not reimbursable.
5. The contractor is required to furnish details surrounding each period of travel. Travel detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc.
6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

#### Travel Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Travel begins at 6:00 a.m. or earlier and continues until 9:00 a.m. or later.	Breakfast
Less than 24 hours	<ul style="list-style-type: none"> <li>Travel period ends at least one hour after the regularly scheduled workday ends, or</li> <li>Travel period begins prior to or at 5:00 p.m. and continues beyond 7:00 p.m.</li> </ul>	Dinner
24 hours	Travel period is a full 24-hour period determined by the time that the travel period begins and ends.	Breakfast, lunch, and dinner
Last fractional part of more than 24 hours	Travel period is more than 24 hours and traveler returns at or after 8:00 a.m.	Breakfast
	Travel period is more than 24 hours and traveler returns at or after 2:00 p.m.	Lunch
	Travel period is more than 24 hours and traveler returns at or after 7:00 p.m.	Dinner

## Exhibit H

## CONTRACT EQUIPMENT PURCHASED WITH DHS FUNDS

Current Contract Number: 01-16259

Date Current Contract Expires: March 31 2003

Previous Contract Number (if applicable):

DHS Program Number: F C Unit, DISB

Contractor's Name: County of Santa Cruz

DHS Program Content Manager: Lori Fries

DHS Program Address: 2151 Berkeley Way, Room 708

Berkeley, CA 94720

Complete Address: 1080 Emeline Avenue, Bldg. D, 2<sup>nd</sup> Floor

Santa Cruz, CA 95060

DH: Program Contract Manager's Telephone Number: 510-540-2022

Telephone Number: 831-454-4490

**Date of this Report:** January 10, 2002

Contractor's Contact Person: Rama Khalsa

**(THIS IS NOT A BUDGET FORM)**

[illegible]

## INSTRUCTIONS FOR HAS 1203

(Please read carefully.)

The information on this form will be used by the Department of Health Services (DHS) Asset Management Unit to track Contractor equipment and miscellaneous property which is purchased with DHS funds and is used to conduct state business under this contract. After the Standard Agreement has been approved and each time DHS equipment and/or miscellaneous property has been received, the DHS Program Contract Manager is responsible for obtaining the information from the Contractor and submitting this form to the DHS Asset Management Unit. The DHS Program Contract Manager is responsible for ensuring that the information is complete and accurate. (See "Special Terms and Conditions" and *Health Administrative Manual*, Section 2-1000 et seq.)

Upon receipt of this form from the DHS Program Contract Manager, the DHS Asset Management Unit will fill in the assigned state/DHS property tag number, if applicable, for each item. Asset Management will return the original form to the DHS Program Contract Manager, along with the appropriate property tags. The DHS Program Contract Manager will then forward the property tags to the Contractor. The Contractor should place property tags in plain sight and, to the extent possible, on the item's front, left-hand corner. The manufacturer's brand name and model number are not to be covered by the property tags.

1. If the item was shipped via the DHS warehouse and was issued a property tag by warehouse staff, fill in the tag number. If the item was shipped directly to the Contractor, leave the first column blank.

2. Provide the quantity, description, serial number, and base unit cost for each item of:

A. **Major Equipment:**

- Tangible item having a base unit cost of \$5,000 or more and a life expectancy of one (1) year or more.
- Intangible item having a base unit cost of \$5,000 or more and a life expectancy of one (1) year or more (e.g., software, video).

These items are issued green numbered state/DHS property tags.

B. **Minor Equipment:** Tangible item having a base unit cost less than \$5,000, with a life expectancy of one (1) year or more, and listed on DHS Asset Management Unit's Minor Equipment List. (A Minor Equipment List can be obtained by calling the DHS Asset Management Unit at the telephone number in number 6 below.) These items are issued green numbered state/DHS property tags.

C. **Miscellaneous Property:** Specific tangible items with a life expectancy of one (1) year or more that are purchased with DHS funds (furniture, cabinets, typewriters, desktop calculators, portable dictators, nondigital cameras). These items are issued a green, unnumbered state/DHS property tag. NOTE: It is DHS policy not to tag modular furniture.

3. Provide the DHS Purchase Order (STD. 65) number if the items were purchased by DHS. For all items, provide the date of purchase.

4. If a vehicle is being reported, provide the Vehicle Identification Number (VIN) and the vehicle license number.

5. If all items being reported do not fit on one form, make copies and write the number of pages being sent in the upper right-hand corner (e.g., "Page 1 of 3"). The DHS Program Contract Manager should retain one copy and send the original to: Department of Health Services, P.O. Box 942732, 1800 Third Street, Room 455, Sacramento, CA 94234-7320.

6. Property tags that have been lost or destroyed must be replaced and can be obtained by contacting the DHS Asset Management Unit at (916) 323-4524.

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