

THE  
**Columbus**  
ORGANIZATION

AGREEMENT BETWEEN  
KERN REGIONAL CENTER  
AND

COLUMBUS MEDICAL SERVICES, LLC dba THE COLUMBUS ORGANIZATION

This Agreement is made and entered into on this 13th day of April, 2017, by and between the Kern Regional Center (KRC), hereinafter referred to as "KRC" or "the regional center", and Columbus Medical Services, LLC dba The Columbus Organization (Columbus), hereinafter referred to as "Columbus." Columbus and the KRC may be referred to jointly as the "Parties."

**BACKGROUND**

WHEREAS, KRC is a regional center serving California individuals with special needs, and WHEREAS, Columbus is a Delaware limited liability company, which provides certain professional services; and WHEREAS, KRC desires to engage Columbus for the provision of professional services and Columbus desires to furnish such services to KRC in accordance with the terms and condition of this Agreement.

NOW THEREFORE, in consideration of the mutual agreements and promises contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Columbus Responsibilities:

1.1. Professional Services: Columbus will provide a team that includes a full-time Interim Director, a full-time Human Resources Manager Consultant, a California-based Labor Relations Consultant, and a full-time Operations and Management Consultant for the full term of this Agreement.

1.1.1. Columbus will provide ongoing program support, management, and administration.

1.1.2. Additional consultants can be provided as needed and financial projections and scope of work for these added roles will be submitted for written approval prior to work commencing.

1.2. Insurance: During the term of this Agreement, Columbus shall maintain or cause to be maintained worker's compensation insurance in the amount required by California law, as well as general liability and professional liability insurance in the amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. The commercial general liability insurance shall include endorsements for premises and operations liability and for broad form contractual liability. Insurers who are admitted to do business in the State of California and rated A- and X or higher in the most recent edition of Best Insurance Guide shall issue all insurance policies. The liability insurance policy shall be endorsed to name "Kern Regional Center" and the "California Department of Developmental Services" as additional insureds during the term of this Agreement, and Columbus shall provide to KRC a true and correct copy of the Named Additional Insured Endorsements prior to May 1, 2017. Each policy of insurance providing coverage required hereunder shall provide that it may not be cancelled or materially modified unless KRC and the State of California Department of Developmental Services ("DDS") are provided at least 20 days' prior written notice thereof.

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1.3. Scope of Work:

- 1.3.1. Serve as Management Organization: Columbus hereby enters into this Agreement with KRC to manage the operations of the regional center for a period of six months as provided in Section 4.1 below, or for other period of time as deemed necessary by DDS.
- 1.3.2. Hiring of Executive Director: Columbus shall assist KRC with hiring an Executive Director for the regional center by August 31, 2017. The selected individual must be familiar with the developmental disabilities services system and have experience in managing an organization of similar size and complexity as the regional center.
- 1.3.3. Assessment of Regional Center's Existing Management Team: By June 15, 2017, Columbus shall assess the performance and effectiveness of the regional center's existing management team. The assessment shall include, but not be limited to, a review of the appropriate distribution of leadership and responsibilities; working relationships among management, staff and Columbus; and established relationships with regional center vendors and generic agencies.
- 1.3.4. Evaluation of Current and Ongoing Operations: Columbus will assess processes for how decisions are made by regional center management to evaluate how staff displays teamwork, consumer and family-centered values, implementation of the Lanterman Developmental Disabilities Services Act (Lanterman Act), and a commitment to the success of the organization.
- 1.3.5. Enhancing Regional Center Culture: Columbus will assist KRC in addressing and remediating the culture within the regional center to ensure the regional center's mission, vision and actions are aligned with the principles of the Lanterman Act and instilled throughout the organization. This will be evidenced by:
- Clear and continued vision and values that are identified and communicated throughout the regional center;
  - Established measurable goals and practices that support the vision and values of the regional center;
  - Transparency in decision making; and
  - Creating a culture of professionalism throughout the regional center.
- 1.3.6. Ensuring Delivery of Regional Center Services: Columbus will assist with establishing strategies and measures, to include, but not limited to ensuring case management activities align between staff duty statements/job descriptions, performance review tools, and Lanterman Act values and requirements. Columbus shall assess the performance of the regional center by utilizing measurable data points such as, but not limited to, information obtained from the regional center's performance contract and National Core Indicator measurements.
- 1.3.7. Employee Training: By June 15, 2017, Columbus shall assist KRC with assessing the training needs of its staff and with submitting to DDS for approval a comprehensive plan to implement essential training of all regional center employees regarding the core tenets of the Lanterman Act. The plan shall include changes in law and requirements for the provision of service delivery since state fiscal year 2009-10, cultural sensitivity, and equity in purchase of service spending to underserved populations. Columbus shall assist KRC in implementing the training plan within 30 days of its approval by DDS.

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- 1.3.8. Assessment of Infrastructure: Columbus will assist KRC with assessment of the regional center's operational infrastructure. This includes, but is not limited to, communication systems, technology resources, records maintenance, and policies and procedures. Columbus will also assist with the development of a plan for continual assessment and remediation of operational infrastructure issues.
- 1.3.9. Vendor Training: Columbus will assist KRC and its vendor advisory committee to (i) assess the training needs of regional center vendors, and (ii) submit a plan to DDS for approval by June 30, 2017. The training shall include, but not be limited to, Lanterman Act and Title 17 requirements, compliance with the Home and Community-based Services Wavier, consumer employment, and cultural sensitivity within the communities served by the regional center.
- 1.3.10. Community Engagement: Columbus will assist KRC in developing an outreach strategy to engage community members and organizations, identify issues and concerns, promote open communication, and maintain a collaborative relationship. The strategy shall include, but not be limited to, dissemination of board and regional center information, and maintenance of information provided on the regional center's website. The strategy must ensure that information is available in Spanish and other languages spoken by regional center consumers and families.
- 1.3.11. Board Training: Columbus will assist KRC in assessing its Board training needs and updating the training plan submitted to DDS in 2015. Columbus shall assure KRC submits the updated plan to DDS by June 15, 2017.
- 1.3.12. Whistleblower Complaints: Columbus will assist KRC in complying with the Whistleblower Complaint policy portion of its contract with DDS and its own Whistleblower Complaint policy as approved by DDS. Columbus will assist KRC in providing DDS, no less than every 30 days, a reporting of complaints received under KRC's Whistleblower policy. Such reports shall contain, at a minimum, the information described in Section 13 of revised Article X (entitled, "Whistleblower Complaints") of the contract between KRC and DDS.
- 1.3.13. Meetings with DDS. Columbus and KRC shall jointly meet with DDS every 30 days, or more often as requested by DDS, to discuss Columbus's and KRC's progress in addressing KRC's performance issues.
2. KRC Responsibilities: In addition to the responsibilities set forth herein, KRC shall, at its sole cost and expense, furnish adequate facilities, and space required to provide services appropriate to Columbus's professional duties.
3. Compensation:
  - 3.1. Pre-Term Compensation. On April 19, 2017, and at other times on request prior to May 1, 2017, Columbus will make its team available at KRC's offices, provided that KRC pay Columbus a mutually acceptable daily rate for such services.
  - 3.2. Compensation During the Term. KRC shall pay Columbus for its Professional Services at a monthly rate of \$126,700.00 for the six-month term of this Agreement to cover fees for the Interim Director, a Human Resources Manager Consultant, the California-Based Labor Consultant and the Operations and Management Consultant. This pricing is inclusive of all costs associated with providing professional services to KRC, including but not limited to professional fees, taxes, benefits, travel and related costs, and the cost of engaging any other labor relations expert to advise Columbus in the performance of its duties under this Agreement. Columbus will

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invoice Kern Regional Center for these onsite services on a monthly basis. If work is less than one month, a prorated monthly rate will be invoiced. KRC shall make payment for the Services in arrears, within thirty (30) days of receipt of an itemized invoice from Columbus. If additional consultants are needed, Columbus will submit financial projections and a scope of work for written approval prior to a new consultant commencing onsite services.

4. Term and Termination:

4.1. Term: The term of this Agreement will commence on May 1, 2017 and terminate on October 31, 2017, with the option of a six-month extension upon mutual written agreement of the parties.

4.2. Termination for Cause: In the event that either party ("Defaulting Party") shall be in default ("Default") in the performance of any of its material obligations under this Agreement, and such Default is not cured within thirty (30) days after notice of such default from non-defaulting party to the Defaulting Party, the non-defaulting party may, as its option, terminate the Agreement, provided, that in the event that such Default is not capable of cure within such thirty (30) day period, and the Defaulting Party has properly commenced and pursues with diligence such cure, the Defaulting Party shall be granted such additional time as may be reasonably necessary to effect such cure, provided the non-defaulting party is not materially adversely affected.

4.3. Termination without Cause: Either party may terminate this Agreement at any time and without cause upon thirty (30) days' written notice to other party

4.4. Effect of Termination: In the event of termination of this Agreement, after the expiration of the applicable notice/cure period, Columbus may immediately cease performing the Services upon compliance with the above terms (4.2 and 4.3) regarding either termination with or without case and shall be entitled to receive payment for all Services performed through the date of termination.

5. Records and Information:

5.1. Privacy Laws and Regulations: The parties shall keep all clients' health information, including all records of any nature relating to clients and KRC, confidential in accordance with all applicable federal and state confidentiality and privacy laws, including the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the privacy and security regulations promulgated pursuant thereto.

5.2. Confidential Information: Columbus agrees that no information obtained pursuant to this Agreement may be released in any form except in complete compliance with all applicable federal and state privacy and confidentiality laws and regulations and KRC policies regarding confidentiality of information, and except as necessary for the proper discharge of Columbus' obligations under this Agreement.

5.3. Audit Rights. KRC and DDS shall each have the right to review and inspect all of Columbus's records regarding services provided under this Agreement, to the same extent as permitted under Title 17 of the California Code of Regulations. An audit of Columbus's records pertaining to this Agreement may be made by KRC or DDS for a period of five years after the termination of this Agreement.

6. Compliance with Applicable Standards: KRC and Columbus shall each perform its duties and responsibilities in compliance with all applicable federal, state and local laws and regulations.

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7. Indemnity. Columbus shall indemnify, defend, and hold harmless KRC and its representatives, officers, directors, agents, consultants and employees and their respective successors and assigns, including but not limited to the State of California and its agents and employees (collectively referred to as the "Indemnified Parties"), from any and all losses, costs, expenses, (including but not limited to reasonable attorney's fees), liabilities, claims, court costs, demands, debts, causes of action, fines, judgments and penalties which arise from or relate to (a) death or injury to people or damage to property in connection with the negligent or willful acts, errors or omissions of Columbus or its employees, agents, consultants or anyone employed by Columbus to act on its behalf, which is related to Columbus's obligations under this Agreement, (b) claims under workers' compensation laws or other employee benefit laws by Columbus's agents or employees, (c) Columbus's breach of this Agreement or (d) violation of any local, state, or federal law, regulation or code by Columbus or by any of Columbus's employees, agents or consultants in connection with the conduct of their activities performed in connection with this Agreement.
- 7.1. Assumption of Defense. Columbus will assume the defense, at its sole expense, and with legal counsel acceptable to KRC, of any claims or litigation as to which it has an indemnification obligation hereunder; KRC shall cooperate with Columbus and its counsel in the defense of any such claims, provided, however, that any costs or expenses associated with such cooperation shall be reimbursed by Columbus. If Columbus fails to assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, the Indemnified Parties will have the right to assume their own defense, and Columbus will be obligated to reimburse the Indemnified Parties for any and all reasonable expenses (including, but not limited to attorney's fees) incurred in defense of such claims or litigation, in addition to Columbus's other indemnity obligations thereunder. Columbus shall control the defense and settlement of any claim; provided, however, if Columbus fails to promptly assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, KRC shall have such control.
- 7.2. Survival of Provisions. The indemnity set forth in this Section shall apply during the term of this Agreement and shall also survive the expiration or termination of this Agreement, until such time as action against all of the Indemnified Parties on account of any matter covered by such indemnity is barred by the applicable statute of limitations.
8. Miscellaneous Provisions:
- 8.1. Notices: All required or permitted notices under this Agreement shall be in writing, and may be hand-delivered or sent by certified or registered mail, return receipt requested, postage prepaid at the following address:

If to COLUMBUS: Columbus Medical Services, LLC  
Attention: Kathleen M. O'Connor  
500 E. Swedesford, Suite 100  
Wayne, PA 19087

If to KRC: Kern Regional Center  
3200 Sillect Avenue  
Bakersfield, CA 93308  
Attn: Mr. Kurt Van Sciver, President

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With a copy to: Brian Winfield, Deputy Director  
Community Services Division  
Dept. of Developmental Services  
1600 9<sup>th</sup> Street, Room 320, MS 3-9  
Sacramento, CA 95814

Any notice required or permitted under this Agreement shall be effective upon receipt. Either party may change its address for notices and official formal correspondence upon five (5) days written notice to the other.

- 8.2. Governing Law; Venue: This Agreement shall be interpreted in accordance with, and the rights of the parties hereto shall be determined by, the laws of the State of California without reference to conflict of the law principles. The venue for any action filed to enforce or interpret this Agreement shall be in Kern County, California.
- 8.3. Assignment: This Agreement shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors, heirs, executors, administrators and permitted assigns. Notwithstanding the foregoing, neither party shall assign, sell or transfer the Agreement, its' obligations, or any interest herein without the prior written consent of the party to be charged.
- 8.4. Amendment/Waiver: This Agreement shall not be altered, changed, modified or amended except in a writing signed by the parties hereto. The failure of either party to insist upon the strict performance of any agreement, term, or condition of this Agreement shall not constitute a waiver thereof.
- 8.5. Non-Discrimination: Columbus shall comply with all the terms, requirements, and provisions of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, as amended, and any other federal, state, local or any anti-discriminatory act, law, statue, regulation or applicable policy, invalidating such provision to the minimum extent necessary to make such provision valid, legal and enforceable.
- 8.6. Attorney's Fees. If any action or proceeding at law is commenced to enforce any provisions or rights under this Agreement, the unsuccessful party to such action or proceeding as determined by the court in a final judgment or decree, shall pay the attorneys' fees and costs of the prevailing party (including, without limitation, such costs, expenses and fees on any appeal), and if such prevailing party shall recover judgment if any such action or proceeding, such costs, expenses and attorney's fees shall be included as part of such judgment.
- 8.7. Severability. If any provision of the Agreement is held to be inoperative, unenforceable or otherwise invalid, the remaining provisions hereof shall remain in full force and effect.
- 8.8. Integration. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein, and it supersedes all prior agreements, contracts, representations and understandings of the parties, either oral or written, relating to the subject matter of this Agreement
- 8.9. Time of the Essence. Time is the essence with respect to the obligations under this Agreement.
- 8.10. Independent Contractor. Columbus and its agents and employees, in the performance of this Agreement, shall act at all times in an independent capacity. Columbus and its agents and employees are not officers, employees or agents of KRC.

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Columbus acknowledges that it and the individuals described in Section 1.1 above will not accrue any employee benefits from KRC nor will KRC be responsible for withholding or paying any amount of workers' compensation, disability insurance or any tax of any kind for Columbus. Columbus is free to act as an independent contractor for others. Columbus is not an agent for KRC, and Columbus shall not have the authority to execute any agreement on behalf of KRC to incur any liability or indebtedness of any kind or nature in the name of or on behalf of KRC, or to otherwise contractually bind KRC in any manner; *provided, however*, the Interim Director shall have the power and authority to bind KRC to agreements that are in KRC's best interest, subject to (i) applicable laws (e.g., all KRC contracts in the sum of \$250,000 or more require Board approval pursuant to Welfare and Institutions Code Section 4625.5) and (ii) ultimate oversight by KRC's Board of Directors.

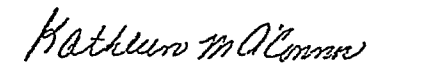
- 8.11. Counterparts: This Agreement may be executed in two or more counterparts (including by facsimile or emailed PDF signature), each of which shall be deemed to be an original hereof, but all of which taken together shall be one and the same instrument.
- 8.12. Survival: Any covenants intended to be performed subsequent to the termination of this Agreement, along with any representations and warranties made herein, shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

Kern Regional Center, a California  
nonprofit corporation

Columbus Medical Services, LLC

  
Kern Regional Center Signature

  
Columbus Medical Services, LLC  
Signature

Jon Gusman, CFO  
Print Name, Title  
April 13, 2017  
Date

Kathleen M. O'Connor, President  
Print Name, Title  
April 13, 2017  
Date