CONTRACT

BETWEEN
KERN REGIONAL CENTER
AND
POSITIVE PURPOSE LLC

FOR

SUPPORTED LIVING SERVICES

VENDOR #: PK5885 **SERVICE CODE: 896**

This Contract is entered into in the State of California by and between KERN REGIONAL CENTER, located at 3200 No. Sillect Avenue, Bakersfield, CA. 93308, hereinafter referred to as "KRC" and POSITIVE PURPOSE, LLC., located at 3101 No. Sillect Ave., Suite 101, Bakersfield, CA 93308 hereinafter referred to as "CONTRACTOR".

Subject to the provisions for termination contained herein, the term of this Contract shall be from **May 4, 2012 to June 30, 2013.**

In consideration of the promises contained herein, the parties mutually agree to the following terms:

I. PURPOSE

CONTRACTOR shall provide Supported Living Services to KRC clients living in Kern County.

II. MEANING OF WORDS

Words shall have their usual meaning unless the context or a definition clearly indicates a different meaning. Title 17 of the California Code of Regulations definitions shall be used as needed to clarify meaning. Use of the word "shall" denotes mandatory conduct; "may" denotes permissive conduct: and "should" denotes recommended conduct.

III. DEFINITIONS

(1) "Authorized Client Representative" means the parent or guardian of a minor, conservator of an adult, or person who is legally entitled to act on behalf of the client.

(2) "Circle of Support" means an informal but identifiable and reliable group of people who, pursuant to Welfare and Institutions Code, Section 4512(f), meet and communicate regularly to offer support at a frequency and in a manner consistent with and appropriate to the needs, to the consumer for whose benefit it exists.

(3) "Client" means an individual who has been determined by a regional center to meet the eligibility criteria of the Welfare and Institutions Code, Section 4512, and of Title 17, Section 54000, 54001 and 54010, and for whom the regional center has accepted responsibility. The term is synonymous with the term "consumer."

(4) "Community Integration" means presence, participation and interaction in natural environments.

(5) "Direct Service(s)" means hands-on training provided by the vendor in accordance with the requirements of the consumer's Individual Program Plan (IPP) and the provisions of Title 17, Section 56720.

(6) "Generic Agency" means any agency which has a legal responsibility to serve all members of the general public and which is receiving public finds for providing such services.

(7) "Generic Support(s)" means voluntary service organizations, commercial businesses, non-profit organizations, generic agencies, and similar entitles in the community whose services and products are regularly available to those members of the general public needing them.

(8) "Home" means with respect to the home of a consumer receiving SLS, a house or apartment, or comparable dwelling space meeting community housing standards, in which no parent or conservator of the consumer resides, and which a consumer chooses, owns or rents, controls, and occupies as a principal place of residence.

(9) "Individual Program Plan (IPP)" means a written plan that is developed jointly by the consumer, one or more representatives of the regional center, and other persons pursuant to Welfare and Institutions Code, Section 4646(d), through a process which identifies the consumer's needs and preferences and adopts a cost-effective strategy for meeting them.

(10) "Interdisciplinary (ID) Team" means the group of persons convened in accordance with the Welfare and Institutions Code, Section 4646, for the purpose of preparing a consumer's IPP.

(11) “Intensive services” SLS services provided to consumers who have health and safety concerns which include but not limited to extensive behavioral and/or medical/ health issues. And shall be in excess of 500 hours of service per month. The intensive services rate shall be indicated by the consumers ID team and reflected in the IPP.

(12) "Internal Grievance Procedure" means the written set of procedures, established pursuant to Welfare and Institutions Code, Section 4705(a), a SLS vendor uses to achieve the communication and resolution of consumer dissatisfaction.

(13) "Natural Supports" means, pursuant to Welfare and Institutions Code, Section 4512(e), personal associations and relationships typically developed in the family and community that enhance or maintain the quality and security of life for people.

(14) “Non –Intensive Services” SLS services provided to consumers who have minimal health and safety concerns and receive fewer than 500 hours of service per month.

(15) "Personal Advocate" means a person chosen by the consumer to represent and express the consumer's interests and preferences, or, when appropriate, means the conservator or other person legally authorized to act on the consumer's behalf.

(16) “Professional Ethics” means CONTRACTOR shall respect the rights and responsibilities of professional colleagues and regional center consumers. CONTRACTOR shall remain accountable to regulations and regional center while working with consumers.

As part of Professional Ethics, CONTRACTOR will:

- Encourage and maintain contact with the consumer’s circle of support (including but not limited to family and work/day program);
- Represent facts truthfully, in writing when necessary, to consumers, their circle of support, and Regional center regarding services to be rendered so that consumers and their circle can make informed decisions;
- Recognize that consumer growth is expected and may mean that fewer services are needed,
- Encourage consumers to increase self-sustaining functioning levels;
- Refrain from actively recruiting employees from another CONTRACTOR;
- Refrain from actively recruiting consumers from another CONTRACTOR;
- Recognized that decisions shall always be made with the consumers best interest in mind and,
- Refer consumers to their regional center Service Coordinator for questions regarding services including transferring from one CONTRACTOR to another.

(17) "Self Advocacy" means the awareness, motivation and ability of an individual to represent and communicate his or her own interests, to exercise personal choice, to exert control over his or her environment, and to avoid exploitation and abuse.

(18) "Service Contract" means a Contract entered into between a regional center and a non-residential vendor which specifies the level of payment and units of service to be used by the vendor to charge and invoice the regional center for services provided to consumers.

(19) "Service Design" means a written description of the service delivery capabilities and orientation developed, maintained, and implemented by a Supported Living Service (SLS) vendor.

(20) “Supported Living Arrangement” means the full array of regional center-funded services and supports received by a SLS consumer, including SLS, day program, transportation, and all other regional center services and supports.

(21) "Supported Living Service(s) (SLS)" means those services and supports referenced in Title 17, Section 54349(a) through (d), and specified as SLS service and support components in Title 17, Section 58614, which are provided by a SLS vendor, paid for by the regional center, and support consumers' efforts to:

(a) Live in their own homes, as defined in Title 17, Section 58601(a)(4);
(b) Participate in community activities to the extent appropriate to each consumer's interests and capacity; and
(c) Realize their individualized potential to live lives that are integrated, productive and normal.

IV. <u>SERVICES</u>

CONTRACTOR shall provide services in accordance with this Contract including all Attachments and Exhibits as well as all applicable statutes, subsequent amendments and State and Federal regulations, including but not limited to Title 17 of the California Code of Regulations. CONTRACTOR shall review all Title 17 Regulations and Welfare & Institution (W&I) Codes referenced in this Contract. CONTRACTOR is responsible for complying with any new Title 17 Regulations that affect services provided under this Contract. CONTRACTOR shall maintain any licenses or certificates needed to perform the contracted services.

CONTRACTOR shall be responsible for providing all training to staff necessary for the safe and competent provision of services in accordance with this Contract.

The CONTRACTOR's approved service design shall be considered part of this Contract. This Contract shall not be valid unless CONTRACTOR's service design has been approved by KRC.

The CONTRACTOR agrees to provide supported living services to persons referred by KRC. Services are to be designed to increase consumer self-reliance and use of generic resources and circles of support. Services are to be designed to decrease reliance on paid supports. CONTRACTOR to provide services as specified in CONTRACTOR's service design. CONTRACTOR agrees to provide services based upon the principles stated in the Welfare and Institutions Code, Section 4689(a) as follows:

(1) Consumers shall be supported in living arrangements which are typical of those in which persons without disabilities reside.

(2) The services or supports that a consumer receives shall change as his or her needs change without the consumer having to move elsewhere.

(3) The consumer's preference shall guide decisions concerning where and with whom he or she lives.

(4) Consumers shall have control over the environment within their own home.

(5) The purpose of furnishing services and supports to a consumer shall be to assist that individual to exercise choices in his or her life while building critical and durable relationships with other individuals.

(6) The services or supports shall be flexible and tailored to a consumer's needs and preferences.

(7) Services and supports are most effective when furnished where a person lives and within the context of his or her day-to-day activities.

(8) Consumers shall not be excluded from supported living arrangements based solely on the nature and severity of their disabilities.

KRC reserves the right to review services and utilization of services at any time.

Assessments: Assessments for supported living services shall be designed to identify the services and supports needed by the consumer based upon consumer preference. Upon completion of the assessment, CONTRACTOR shall prepare a report for the service coordinator and consumer detailing the assessment information, the recommended services and supports, including those from

generic agencies and those provided by the consumer and the circle of support, and the proposed outcomes. The assessment process for Supported Living Services shall be completed and recommendations made before Purchase of Service for ongoing services are completed. For Consumers who do not need intensive services up to twenty (20) hours is allowed for completion of the initial assessment process. If an assessment will take longer than a thirty-calendar day period from the receipt of referral packet, CONTRACTOR must notify KRC of reasons for delay. For Consumers where the ID team has determined that intensive services are needed, a 2 month assessment shall be allowed and the CONTRACTOR shall receive the TIHR rate for 2 months for the number of service hours as determined by the ID team. If, after the 2 month assessment period, the ID team determines that intensive services continue to be necessary, CONTRACTOR shall receive the T2HR rate to be reviewed annually or as indicated by ID team. Each consumer who receives services from your agency must have an assessment on file. A reassessment shall be done for each consumer following the initial assessment. A complete reassessment shall occur at least once every three (3) years or when the consumer's circle of support makes a determination that significant changes have occurred in the consumer's life that would necessitate a reassessment prior to the end of the three (3) years. At each meeting of the ID Team (Annual, Quarterly, Semi-Annual) the consumer's level of services shall be reassessed. An agreement between KRC Service Coordinator and CONTRACTOR shall be made on an individual consumer basis in order to extend an assessment timeline. If no agreement can be made, the KRC Service Coordinator reserves the right to send the referral packet to another agency. Failure of CONTRACTOR to consistently meet assessment timelines may result in no referrals being made. In cases where there may be an emergency referral for services, KRC shall notify CONTRACTOR as far as shortening the assessment timeline.

Circles of Support: CONTRACTOR shall facilitate all initial and ongoing circle of support meetings. These meetings shall begin during the assessment phase and continue thereafter on at least a quarterly basis or at any time or frequency that any member of the circle of support sees fit. The circle of support may consist of the consumer, CONTRACTOR, KRC, the consumer's family members/relatives, or any person or professional that is felt to have a vested interest in the life of the consumer. CONTRACTOR shall organize and facilitate these meetings allowing every member to have equal time and input into the meetings. CONTRACTOR shall ensure that the goal of every meeting will be to discuss consumer questions and issues, add, change, or delete consumer goals and objectives in accordance with the choice of the consumer in an open forum. CONTRACTOR shall make every effort to schedule these meetings during times that are least conflicting with circle members' daily schedules.

Service and Support Components: CONTRACTOR to provide any or all of the services and support components enumerated in Title 17, Section 58614.

Services include:

(1) Assisting the consumer to live in his or her own home, with support available as often and for as long as it is needed.

(2) Assisting the consumer to make fundamental life decisions while also supporting and facilitating the consumer in dealing with the consequences of those decisions; building critical and durable relationships with other individuals; choosing where and with whom to live; and controlling the character and appearance of the environment within their home.

(3) Assisting with common daily living activities such as meal preparation, including planning, shopping, cooking and storage activities.

(4) Performing routine household activities aimed at maintaining a clean and safe home.

(5) Locating and scheduling appropriate medical services.

(6) Acquiring, using, and caring for canine and other animal companions specifically trained to provide assistance.

(7) Selecting and moving into a home.

(8) Locating and choosing suitable house mates.

(9) Acquiring household furnishings.

(10) Settling disputes with landlords.

(11) Becoming aware of and effectively using the transportation, police, fire and emergency help available in the community to the general public.

(12) Managing personal financial affairs.

(13) Recruiting, screening, hiring, training, supervising and dismissing personal attendants.

(14) Dealing with and responding appropriately to governmental agencies and personnel.

(15) Asserting civil and statutory rights through self-advocacy.

(16) Building and maintaining interpersonal relationships, including a Circle of Support.

(17) Participating in community life; and

(18) Twenty-four (24) hour emergency assistance, including direct service in response to calls for assistance. This service also includes assisting and facilitating the consumer's efforts to acquire, use, and maintain devices needed to summon immediate assistance when threats to health and safety and well being occur.

The process and limitations for the above-mentioned services are as follows:

(1) Services to be provided within the scope of Supported Living Arrangement costs (refer to Title 17, Section 58617).

(2) IHSS assessment shall be initiated by CONTRACTOR within three (3) days after consumer's move. CONTRACTOR shall make efforts to ensure that IHSS schedules assessment visit within 30 days of consumer's move. CONTRACTOR shall make efforts to ensure that IHSS completes their assessment within 90 days of consumer's move.

(3) Needs assessments shall be completed before Purchase of Service is processed. IHSS hours shall be calculated into needs assessment. If IHSS hours have not been established, the need for supplementation of personal support hours by KRC shall be substantiated in the needs assessment pending approval of any IHSS hours.

(4) Any and all other generic resources in addition to IHSS shall be explored.

(5) Service hours are face-to-face contact with the individual consumer only. Service hours do not include billing for travel time, phone time or missed appointments.

(6) Transportation of consumers by staff during service hours shall be arranged by making efforts to access available generic transportation resources. If there are no available transportation resources that can be utilized at a given time, CONTRACTOR may arrange for agency staff to provide necessary transportation. When agency staff members transport consumers, the following assurances shall be made: Each staff who transports consumers shall have car insurance for the car they are driving; Each car being driven shall be considered to be in good working order by the agency; Each driver shall maintain a "clean" DMV record as well as a current and valid California drivers' license.

Administrative Services: Supported Living Services Vendor Administration as referenced in Title 17, Section 58614(a) shall include, but is not limited to, the following:

(1) Administrative functions;

(2) Rental or leasing of administrative office(s) space;

(3) Office furniture, supplies, and equipment;

(4) Travel designated in the SLS vendor's Contract as necessary for the performance of administrative functions;

(5) Accounting;

(6) Insurance designed to protect against loss by theft, fire, and similar calamities, professional liability, and automobile accident liability.

(7) Assessment of new consumers.

(8) Staff orientation and ongoing training pursuant to Title 17, Sections 58651, 58652, and 58653.

To the greatest extent possible, the CONTRACTOR shall involve the consumer in the hiring and terminating of the staff who provide services. The consumers shall have the ultimate authority in deciding who provides their services. For CPP consumers, the consumers must be included in the selection of staff and no staff member shall be sent to the consumer's home without the consumer first meeting and approving of the staff member, *unless* there is an emergency; then the Contractor shall provide KRC with documentation of what occurred.

According to W& I code 15660, CONTRACTOR shall have a written screening method, which shall be implemented to ensure that all employees, including administrative staff, who provide direct care to aged or disabled adults in the adult's own home, prior to employment, do not present a danger to consumers due to criminal history. This screening method shall include, but not be limited to, fingerprint clearance through DOJ, Social Security number, and motor vehicle operation history (DMV). If through the above-referenced background check process, CONTRACTOR acquires knowledge that an individual

being screened for employment has a conviction other than minor traffic violations, CONTRACTOR then shall determine if the crime would qualify for an exemption by the CONTRACTOR. Exhibit C contains a list of Penal Code crimes that are non-exempt. The CONTRACTOR shall not employ staff that have committed a crime listed in Exhibit C. The CONTRACTOR shall have a written procedure that spells out the criteria for selecting/hiring staff who have committed a crime not listed in Exhibit C. The plan shall include how the CONTRACTOR will ensure that the staff member will not pose a health and/or safety risk to consumers being served by CONTRACTOR. The plan should also contain criteria for what the Contractor will do when a current employee has committed a crime listed in Exhibit C. The CONTRACTOR shall establish written criteria for review of the DMV record stating the criteria for selecting/hiring staff who will be transporting consumers.

The CONTRACTOR shall have a written Drug screening policy consisting of random and/or discretionary drug screening for all employees.

CONTRACTOR shall complete and submit an emergency plan in writing, to be included in the service design. The emergency plan shall include, but is not limited to, the procedure to be followed if staff does not come to work as scheduled, or if the client has an emergency (medical or otherwise).

CONTRACTOR shall work with the regional center to develop a procedure for determining when it is appropriate: 1) to enter a consumer's home to complete a heath and safety check; 2) for the agency to have a key to the consumers home/apartment; and 3) when to call authorities to do a welfare check. This plan should focus on the agency's attempts to reduce health and safety risks.

When the KRC ID team determines that it is in the consumers' best interest that the CONTRACTOR monitors the consumers' P&I, then there shall be a specifically written IPP objective stating the need and the reasoning as to why the CONTRACTOR needs to be safeguarding consumer monies. The CONTRACTOR shall utilize the KRC P& I guidelines when safeguarding consumer monies which includes maintaining a written property log, balance ledger and receipts.

V. PAYMENT

This Contract is contingent upon CONTRACTOR providing service consistent with CONTRACTOR'S program design or program description and other program related documentation relied upon in establishing the rate of payment. Payment for this service shall be as specified in Exhibit B entitled Rates and Payment that is attached hereto and made a part of this Contract.

This CONTRACT shall be amended as necessary, to incorporate any and all rate changes approved subsequent to the effective date of this Contract. Pursuant to W&I Code, Section 4625.5 the KRC Board of Directors has adopted and continues to maintain a written policy requiring the Board to review and approve any contract of two hundred fifty thousand dollars($250,000) or more, before entering into a new or renewed contract.

CONTRACTOR shall be totally and solely responsible for all taxes due, if any. CONTRACTOR shall not bill any other funding source for services provided to clients that are funded under the terms of the Contract.

CONTRACTOR shall prepare and submit a monthly invoice and supporting documentation as required by this Contract, in a format approved by KRC. CONTRACTOR must certify that the information submitted for payment is accurate and a true reflection of services provided. Attendance records are required documenting the date and time period services were rendered and the name of the client served, in

accordance with Title 17, Section 50604. Electronic billing and attendance shall be the preferred method of billing and payment. All information submitted must include Vendor Name, Vendor Number and Service Code.

Services provided shall be reimbursed to CONTRACTOR monthly, in arrears.

In the event of an overpayment, the amount CONTRACTOR received, but was not entitled to, shall be collected either by repayment or offsetting amounts owed against current and future amounts due CONTRACTOR. The method used shall be determined by KRC.

CONTRACTOR shall maintain records in accordance with Title 17, Section 50604 and 50605.

VI. FISCAL ACCOUNTABILITY

Pursuant to W&I Code, Section 4629.7, all Contracts with CONTRACTORS, shall require that not more than 15 percent of regional center funds be spent on administrative costs. Direct service expenditures are those costs immediately associated with the services to consumers being offered by the provider. Administrative costs include, but are not limited to, any of the following:

- Salaries, wages, and employee benefits for managerial personnel whose primary purpose is the administrative management of the entity, including, but not limited to, directors and chief executive officers.
- Salaries, wages, and benefits of employees who perform administrative functions, including, but not limited to, payroll management, personnel functions, accounting, budgeting, and facility management.
- Facility and occupancy costs, directly associated with administrative functions.
- Maintenance and repair.
- Data processing and computer support services.
- Contract and procurement activities, except those provided by a direct service employee.
- Training directly associated with administrative functions.
- Travel directly associated with administrative functions.
- Licenses directly associated with administrative functions.
- Taxes.
- Interest.
- Property insurance.
- Personal liability insurance directly associated with administrative functions.
- Depreciation.
- General expenses, including, but not limited to, communication costs and supplies directly associated with administrative functions.

VII. REFERRALS

KRC shall be the referring agency. An authorization to provide services for each client must be received by CONTRACTOR before services begin. KRC reserves the right to halt referrals to CONTRACTORS who have failed to successfully complete Plans of Correction or have failed to provide KRC with a plan to correct deficiencies noted in any Quality Assurance (QA) Evaluation or Quality Assurance Referral in the required time period, or when KRC determines that CONTRACTOR is unable to assure client health and safety. KRC shall notify CONTRACTOR in writing when such action is being taken.

CONTRACTOR agrees to provide supported living services to no more than 60 SLS consumers during the first year of operation as a SLS agency. If, during the first year, the CONTRACTOR wishes to exceed their limit, CONTRACTOR shall notify the Community Services Specialist - SLS liaison at KRC in writing of the request for consideration of an incremental increase. Once a request has been received, the SLS liaison will review past QA evaluations, QA monitoring visits, SIR reports, and take into consideration the CONTRACTOR's ability to hold to SLS philosophy as well as consumer satisfaction.

VIII. CONFIDENTIALITY AND CLIENT RIGHTS

CONTRACTOR shall assure that all staff maintain and keep confidential all client information received from KRC and utilize such information only as necessary to provide safe and effective services. CONTRACTOR shall comply with confidentiality requirements in W&I 4514-4518 and in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPPA).

CONTRACTOR shall ensure clients know and exercise their rights as specified in Title 17, Section 50510. CONTRACTOR shall ensure that staff knows the rights of clients. CONTRACTOR shall only deny client rights in accordance with Title 17, Section 50532.

IX. REPORTING REQUIREMENTS

A. Client Progress Reporting

CONTRACTOR shall maintain records and provide KRC with reports necessary to enable KRC to monitor and evaluate the performance of services pursuant to this Contract. Records must specify the date, actual service time, location and nature of services provided. Records must specify progress made toward achieving client's Individual Program Plan (IPP) objectives.

CONTRACTOR shall prepare reports on individual client progress as required in Title 17, in the IPP, the program description or design, or as requested by KRC.

CONTRACTOR shall submit to the KRC service coordinator, copies of progress (charting) notes or monthly progress summaries on individual consumers being served. This shall be done on a monthly basis. These notes shall include: date; time; what was discussed or worked on; problems (if any) and; any circle of support meeting notes/minutes. CONTRACTOR shall also submit to the KRC service coordinator, copies of progress reports on individual consumer objectives. This shall be done on a minimum of semi-annual basis. CONTRACTOR shall provide annual SLS training schedules at the start of the calendar year to Community Services Specialist SLS liaison at KRC. This schedule shall outline training topics presented to SLS staff throughout the year. CONTRACTOR shall submit any changes to this schedule as they occur.

CONTRACTOR shall report any Special Incidents in accordance with Title 17, Section 54327 and as specified in EXHIBIT A that is attached hereto and made a part of this Contract.

B. Changes In Vendor Ownership, Location, Or Program Design

CONTRACTOR shall notify KRC thirty (30) days prior to any change in ownership. A change in ownership shall require a change in vendorization and may be cause for termination of this Contract.

CONTRACTOR shall notify KRC thirty (30) days prior to any change in location or change in any required license, certificate, registration, credential or permit.

CONTRACTOR shall notify KRC thirty (30) days prior to any change in the approved program design.

C. Self-Evaluations

CONTRACTOR shall conduct an outcomes-based self-evaluation of their services for each calendar year. This evaluation shall be based on outcomes measured by and pursuant to the eight (8) principles of SLS stated in Welfare and Institutions Code, Sections 4689 (a) (1) through (a) (8). These eight (8) principles are also stated under the Section IV (Services) of this Contract. Input from consumers being served must be included in the self-evaluation.

CONTRACTOR shall provide KRC a written summary of this evaluation no later than December 31st of each calendar year. These shall be submitted to KRC Community Services Department, Attention: Community Services Department, SLS liaison.

X. CLIENT GRIEVANCE POLICY

CONTRACTOR shall adopt and periodically review a written internal procedure to resolve client grievances pursuant to W&I Code Section 4705.

XI. CONTRACTOR NOT EMPLOYEE OF KRC

CONTRACTOR, his or her employees, or agents performing under this Contract shall act in an independent capacity and are not acting as an officer, agent, or employee of KRC or the State of California. The above named CONTRACTOR is solely responsible for the manner of operation of his or her business except to the extent as limited by the parties to this Contract. CONTRACTOR will not hold himself out as, nor claim to be an officer or employee of KRC or of the State of California, including but not limited to Worker's Compensation coverage, Unemployment Insurance benefits, Social Security benefits, State Disability Insurance benefits, or retirement membership or credit.

XII. INDEMNIFICATION

CONTRACTOR shall defend, protect and hold harmless KRC from and against all claims, suits and actions for any loss, damage or injury to persons or property which arises from any negligent act or omission of CONTRACTOR or any authorized subcontractor, or any employees or agents of either in the performance of their services.

XIII. INSURANCE

CONTRACTOR agrees to obtain and maintain all necessary and appropriate insurance, naming KRC as additional insured where applicable, as required by KRC and/or where appropriate, its insurers, or by the provisions of any contracts involving State or Federal entities under which KRC operates in facilitating services provided to consumers, including, without limitation:

Employers' Liability Insurance as applicable to CONTRACTOR'S activities under this Contract, and to the extent CONTRACTOR shall employ or utilize the services of any employee and which shall include at least the following coverage and policy limits:

i) Workers' Compensation insurance, as required by the laws of the State of California; and,

ii) Commercial General Liability Insurance coverage with coverage amounts not less than one million dollars ($1,000,000); and,

iii) Automobile liability coverage (if applicable), which shall include a minimum combined single limit of not less than one million dollars ($1,000,000). Coverage includes transporting consumers.

iv) Professional Liability covering any damages caused by an error, omission, or any negligent act of not less than one million dollars ($1,000,000).

v) Abuse or Molestation Liability that is not covered by malpractice and/or professional liability, of not less than one million dollars ($1,000,000).

XIV. SUBCONTRACTING

CONTRACTOR shall not assign, transfer, or subcontract any of its rights, burdens, duties or obligations pursuant to this Contract without prior written permission from KRC.

XV. NON-DISCRIMINATION

During the performance of this Contract, CONTRACTOR shall not deny the benefits of service to any person on the basis of religion, color, ethnic group identification, sex, age or physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40), or sex. CONTRACTOR shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

XVI. MONITORING, INSPECTION AND AUDIT PROVISIONS

The services provided under this Contract, including utilization, shall be reviewed by KRC and its governing board on a periodic basis pursuant to Title 17, Section 50606.

KRC, the Department of Developmental Services and/or any authorized representative of KRC shall have the right to audit, monitor or inspect records, equipment or facilities used in the provision of services under this Contract at any time pursuant to Title 17, Section 50603

CONTRACTOR shall maintain books, records, documents and other evidence pertaining to all income, expenses, and services relating to and/or affecting the performance of this Contract pursuant to Title 17, Section 50604.

CONTRACTOR shall retain all records pertaining to the provision of services under this Contract for a period of five (5) years from the date of the final payment for the State fiscal year or

through the resolution of any audit process pertaining to this Contract, whichever is longer pursuant to Title 17, Section 50605.

CONTRACTOR agrees to utilize and be bound by Title 17, Subchapter 7 "Fiscal Audit Appeals" Sections 50700 through 50767 should CONTRACTOR elect to appeal any audit findings and/or recommendations. CONTRACTOR shall accept financial liability for any audit findings and/or recommendations disclosed by audit and promptly repay amounts owed, unless appealed and liquidation is stayed pursuant to Title 17 Section 50705.

XVII. SUBJECT TO APPROVAL

It is mutually agreed that all terms and conditions of this Contract shall be subject to approval by the Department of Developmental Services and the State of California and KRC. Pursuant to Section IV (Payment) of this Contract, the KRC Board of Directors shall approve any contract of two hundred fifty thousand dollars ($250,000) or more, before entering into a new or renewed contract. This Contract shall be subject to any additional restrictions, or conditions enacted by the Legislature and contained in the Budget Act or any statute enacted by the Legislature including subsequent amendments to statute that may affect the provisions, terms or funding of this Contract in any manner.

No terms or clauses of this Contract shall be construed to excuse compliance with any Federal or State regulation or statute. Any amendment or modification to this Contract shall comply with the requirements of applicable statutes and regulations.

Should any portion of this Contract be found to violate any statute or regulation, only that portion shall be affected, and all other sections shall remain in full force and effect.

CONTRACTOR shall immediately notify KRC when any part of this Contract becomes inoperable or requires change(s). No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding by any of the parties hereto.

XVIII. TERMINATION OF SLS SERVICES BY CONSUMER

A consumer's services from a SLS vendor may be discontinued or terminated when:

(1) The consumer states either orally or in writing that they want to discontinue participation in the vendor's program.

(2) KRC/SC shall immediately notify the SLS agency of the consumers request.

(3) Funding shall terminate with the last day of service.

The regional center shall provide the SLS vendor with written notification regarding the consumers' wishes with in 10 days. The follow up shall provide the vendor the service termination date.

XIX. TERMINATION OF SLS SERVICES BY REGIONAL CENTER

A consumer's services from a SLS vendor may be discontinued or terminated. When the following conditions occur:

(1) The regional center determines that continuing to participate in a vendor's program jeopardizes the consumer's health and safety needs, or

(2) The consumer's ID Team has determined that the vendor's program is no longer meeting the consumer's needs, or

(3) The consumer's ID team has determined that the services provided by a vendor are no longer cost effective and a more cost effective program is able to meet the consumer's needs.

When a determination has been made that any of above conditions exists and the SLS agency was not part of the ID team than the KRC/SC shall notify the SLS agency immediately. The determination shall be documented in the consumer's case file by the regional center.

The regional center shall provide the SLS vendor with written notification regarding the decision with in 10 days. The follow up shall provide the vendor the service termination date.

When the regional center has made the determination, there should be added documentation showing that the consumer and their ID Team have been informed of the Fair Hearing Rights according to W & I Code, Sections 4701, 4705 and 4710.

When the condition for terminating is health and safety related, the termination shall be immediate unless the consumer files a Fair Hearing Rights request.

When the conditions have been met for termination of services, the ID team, including the vendor, shall ensure a smooth transition.

XX. TERMINATION OF SLS BY SLS AGENCY

When the vendor determines that its program is no longer meeting the consumer's needs, the vendor shall notify the regional center, the consumer and the consumer's authorized representative *immediately*. The oral notification shall be followed up, within 24 hours, with written documentation, which must include a statement of reasons for the termination. Within a reasonable period of time, based on the health & safety needs of the consumer, the regional center shall convene with the consumer's ID Team to discuss the needs, and determine what services, the consumer needs before, during and after the services are terminated. The ID Team will also discus any additional needs that the consumer has until services are terminated. Upon receipt of written notification, the regional center shall locate a new vendor to provide services to the consumer within a mutually agreed upon time frame.

When the conditions have been met for termination of services, the ID Team, including the vendor, shall ensure a smooth transition.

XXI. CONTRACTOR NON-REFERRAL

As a professional and positive role model, CONTRACTOR shall practice professional ethics. This includes, but is not limited to, CONTRACTOR refraining from any activities, which may have a negative impact on the lives of consumers and or substantially limits CONTRACTOR from daily operation of business.

Should the CONTRACTOR engage in activities, which have resulted in negative impacts on the lives of consumers, the CONTRACTOR may be placed on a non-referral. The following list contains examples of specific actions which would necessitate this type of action:

-A Quality Assurance evaluation or monitoring visit has identified substantial issues, which pose risks to consumer's health and safety;

- CONTRACTOR is filing for bankruptcy;

- CONTRACTOR is having ongoing financial difficulties and unable to pay staff in a timely manner;

- CONTRACTOR or staff members are purchasing items for consumers to influence decision making (bribery/manipulation) i.e., cigarettes, alcohol or giving the consumers money;

-Causing consumers undue stress when a decision has been made to cancel services;

-Stalking of consumers (harassing consumers who CONTRACTOR is not serving);

-Failure to provide KRC with proof of insurance as listed in XIII above;

-Not providing service hours as approved (ongoing issue/problem with CONTRACTOR staff not providing scheduled service hours); and

- Ongoing issues which result in Community Services QA Referrals.

When the above issues have been identified, documented and substantiated, the CONTRACTOR shall be notified of the issue/problem via a certified letter. The certified letter will describe the issue/problem and signify a specific timeline for non-referral and resolution of the issue/problem. If the issue/problem is not resolved within the identified timeline, the process for termination of contract shall be initiated.

All of the above may result in more frequent Quality Assurance team evaluations and monitoring visits.

XXII. TERMINATION OF CONTRACT

Either party may terminate this Contract with written notice to the other party. If this Contract is so terminated, KRC shall be liable for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination.

This Contract shall be subject to termination under any of the following conditions:

(1) For cause by KRC, with thirty (30) days written notice, when KRC or the Department of Developmental Services has determined CONTRACTOR has not provided services in accordance with the terms of the purchase of service authorization, applicable State and Federal regulations or statutes governing the service program, Contract provisions, or CONTRACTOR acts in anyway that has a direct, substantial and adverse effect on KRC or any KRC client(s). The written notice of termination shall include the reasons for termination.

(2) Termination of the contract shall be immediate when there is documentation of CONTRACTOR being on non-referral and issue/problem not being resolved and issue/problem has resulted in a direct negative impact on consumer's health and safety.

(3) Without cause by either party, provided:

(a) The parties to the Contract mutually agree to the termination; or
(b) The party initiating the termination gives sixty (60) days written notice of intention to terminate services.

XXIII. FUNDING OUT CLAUSE

Payment under this Contract is dependent upon the availability of State funding.

CONTRACTOR understands and agrees that upon completion or termination of this Contract, a subsequent Contract is not guaranteed and that the decision for such funding is within the discretion of KRC.

XXIV. NOTIFICATION

Any notice or other communication which may or which must be known hereunder shall be deemed given if personally delivered or if mailed and addressed as follows:

If to KRC	Duane A. Law, Chief Executive Officer Kern Regional Center 3200 No. Sillect Avenue Bakersfield, CA. 93308
If to CONTRACTOR	Tamerla Flockton, Executive Director Positive Purpose, LLC. 3101 N. Sillect Ave., Suite 101 Bakersfield, CA 93308
With copies to	Joanne Frasher, Community Services Specialist Kern Regional Center 3200 N. Sillect Avenue Bakersfield, CA 93308

XXIV. EXECUTION

In WITNESS THEREOF, the parties execute this Contract as set forth:

Positive Purpose, LLC. 3101 N. Sillect Ave., Suite 101 Bakersfield, CA 93308	Kern Regional Center 3200 No. Sillect Avenue Bakersfield, CA. 93308
Tamerla Flockton Executive Director	Duane A. Law Chief Executive Officer
Date	Date

EXHIBIT A

Special Incident Reporting

CONTRACTOR shall report all Special Incidents to KRC by phone, FAX or electronic mail immediately, but not more than twenty-four (24) hours after learning of the occurrence of the Special Incident. CONTRACTOR shall submit a written report by FAX, electronic mail or mail to KRC within forty-eight (48) hours after the occurrence of the Special Incident. If CONTRACTOR is unsure whether an occurrence could possibly be construed as a Special Incident, CONTRACTOR shall report it to KRC under the same timelines for Special Incidents referenced above.

CONTRACTOR shall report all Special Incidents to the regional center with case management authority and to the vendoring regional center, if they are not the same.

CONTRACTOR'S Special Incident Report to KRC shall include but not be limited to:

- CONTRACTOR'S name, address and phone number
- CONTRACTOR'S Vendor Number and Service Code
- The date, time and location of the special incident
- The name(s) and date(s) of birth of the client(s) involved
- A description of the special incident
- A description of the alleged perpetrator (age, height, weight, occupation, relationship to client), if applicable
- The treatment provided to the client, if any
- Names and addresses of witnesses
- Actions taken by the CONTRACTOR, the client or any other individuals in response to the special incident
- Agencies notified (law enforcement, licensing, protective services)
- Family member or authorized representative notified

CONTRACTOR shall report to KRC the following Special Incidents if they occurred during the time the client was receiving services and supports. Reporting suspected abuse to KRC does not relieve CONTRACTOR of the responsibility to report to APS, CPS or Licensing agencies.

- Client is missing and a report is filed with a law enforcement agency
- Reasonably suspected abuse/exploitation including:

  1. Physical
  2. Sexual
  3. Fiduciary
  4. Emotional/mental
  5. Physical and/or chemical restraint

Reasonably suspected neglect including failure to:

1. Provide medical care for physical and mental health
2. Prevent malnutrition or dehydration
3. Protect from health and safety hazards
4. Assist in personal hygiene or the provision of food, clothing or shelter

5. Exercise the degree of care that a reasonable person would exercise in the position of having the care and custody of an elder or dependent adult

- A serious injury/accident including:

  1. Lacerations requiring sutures or staples
  2. Puncture wounds requiring medical treatment beyond first aid
  3. Fractures
  4. Dislocations
  5. Bites that break the skin and require medical treatment beyond first aid
  6. Internal bleeding requiring medical treatment beyond first aid
  7. Any medication errors
  8. Medication reactions that require medical treatment beyond first aid
  9. Burns that require medical treatment beyond first aid

- Any unplanned or unscheduled hospitalization due to the following conditions:

  1. Respiratory illness, including but not limited, to asthma, tuberculosis and chronic pulmonary disease
  2. Seizure-related
  3. Cardiac-related, including but not limited to, congestive heart failure, hypertension, and angina
  4. Internal infections, including but not limited to, ear, nose and throat, gastrointestinal, kidney, dental, pelvic, or urinary tract,
  5. Diabetes, including diabetes-related complications,
  6. Wound/skin care, including but not limited to, cellulitis and decubitus,
  7. Nutritional deficiencies, including but not limited to, anemia and dehydration
  8. Involuntary psychiatric admission

CONTRACTOR shall report to KRC the following Special Incidents regardless of when or where they occurred:

- Death of any client, regardless of cause
- Client is a victim of crime:
  - Robbery, including theft using a firearm, knife or cutting instrument or other dangerous weapons or methods which force or threaten a victim
  - Aggravated Assault, including a physical attack on a victim using hands, fist, feet, or a firearm, knife or cutting instrument or other dangerous weapon
  - Larceny, including the unlawful taking, carrying, leading or riding away of property, except for motor vehicles, from the possession or constructive possession of another person
  - Burglary, including forcible entry, unlawful non-forcible entry and attempted forcible entry of a structure to commit a felony or theft therein
  - Rape, including rape and attempts to commit rape

EXHIBIT B

Rates and Payment

Effective July 1, 2012, the rate paid by KRC to CONTRACTOR shall be as described in Attachment A. This rate shall be subject to all rate reductions mandated by the Department of Developmental Services. Effective July 1, 2010, Trailer Bill Language mandates a 4.25% rate reduction. This rate shall be in effect until revised by the State of California.

For negotiated rates, CONTRACTOR has been informed that payment to CONTRACTOR cannot exceed the current and applicable Median Rate for this service.

EXHIBIT C:

Non-exempt Crimes

1. Penal Code Sections 136.1 and 186.22 – Gang related/Intimidation of witnesses or victims.

2. Penal Code Sections 187, 190 through 190.4 and 192(a) – Any murder/Attempted murder/Voluntary manslaughter.

3. Penal Code Section 203 – Any mayhem.

4. Penal Code Section 206 – Felony torture.

5. Penal Code Sections 207, 208, 209, 209.5, 210 – Kidnapping.

6. Penal Code Sections 211, 212.5, 213, 214 – Any robbery.

7. Penal Code Section 215 – Carjacking.

8. Penal Code Section 220 – Assault with intent to commit mayhem, rape, sodomy or oral copulation.

9. Penal Code Section 243.4 – Sexual battery.

10. Penal Code Section 261(a), (a)(1), (2), (3), (4), or (6) – Rape.

11. Penal Code Section 261(a)(1) or (4) – Rape of a spouse.

12. Penal Code Section 264.1 – Rape in concert.

13. Penal Code Section 266 – Enticing a minor into prostitution.

14. Penal Code Section 266c – Induce to sexual intercourse, etc. by fear or consent through fraud.

15. Penal Code Section 266h(b) – Pimping a minor.

16. Penal Code Section 266i(b) – Pandering a minor.

17. Penal Code Section 266j – Providing a minor under 16 for lewd or lascivious act.

18. Penal Code Section 267 – Abduction for prostitution.

19. Penal Code Section 269 – Aggravated assault of a child.

20. Penal Code Section 272 – Contributing to the delinquency of a minor (must involve lewd or lascivious conduct).

21. Penal Code Section 273a(a) [or 273a(1) if the conviction was prior to January 1, 1994] – willfully causing or permitting any child to suffer under circumstances or conditions likely to produce great bodily harm or death.

22. Penal Code Section 273d – Willfully inflicting any cruel or inhuman corporal punishment or injury on a child.

23. Penal Code Section 285 – Incest.

24. Penal Code Section 286 – Sodomy.

25. Penal Code Section 288 – Lewd or lascivious act upon a child under 14.

26. Penal Code Section 288a – Oral copulation.

27. Penal Code Section 288.2 – Felony conviction for distributing lewd material to children.

28. Penal Code Section 288.5(a) – Continuous sexual abuse of a child.

29. Penal Code Section 289 – Genital or anal penetration or abuse by any foreign or unknown object.

30. Penal Code Section 290(a) – All crimes for which one must register as a sex offender including attempts and not guilty by insanity.

31. Penal Code Section 311.2(b), (c) or (d) – Transporting or distributing child-related pornography.

32. Penal Code Section 311.3 – Sexual exploitation of a child.

33. Penal Code Section 311.4 – Using a minor to assist in making or distributing child pornography.

34. Penal Code Section 311.10 – Advertising or distributing child pornography.

35. Penal Code Section 311.11 – Possessing child pornography.

36. Penal Code Section 314 paragraphs 1 or 2 – Lewd or obscene exposure of private parts.

37. Penal Code Section 347(a) – Poisoning or adulterating food, drink, medicine, pharmaceutical products, spring, well, reservoir or public water supply.

38. Penal Code Section 368 – Elder or dependent adult abuse.

39. Penal Code Section 417(b) – Drawing, exhibiting or using a loaded firearm.

40. Penal Code Section 451(a) or (b) – Arson.

41. Penal Code Section 460(a) – First degree burglary if it is charged and proved that a non-accomplice was present in the residence during the burglary.

42. Penal Code Section 186.22 and 518 – Gang related/Extortion.

43. Penal Code Section 647.6 or prior to 1988 former Section 647a – Annoy or molest a child under 18.

44. Penal Code Section 653f(c) – Solicit another to commit rape, sodomy, etc.

45. Penal Code Section 664/187 – Any attempted murder.

46.* Penal Code Section 667.5(c)(7) – Any felony punishable by death or imprisonment in the state prison for life.

47.* Penal Code Section 667.5(c)(8) – Enhancement for any felony which inflicts great bodily injury.

48. Penal Code Section 667.5(c)(13) – Enhancement for violation of Penal Code Section 12308, 12309 or 12310 – Exploding or igniting or attempting to explode or ignite any destructive device or explosive with intent to commit murder.

49. Penal Code Section 667.5(c)(14) – Any kidnapping – Penal Code Sections 207, 208, 209, 209.5 and 210.

50. Penal Code Section 667.5(c)(22) – Any violation of Penal Code Section 12022.53 – Enhancement for listed felonies where use of a firearm.

51. Penal Code Section 667.5(c)(23) – Use of weapon of mass destruction.

52. Business and Professions Code Section 729 – Felony sexual exploitation by a physician, psychotherapist, counselor, etc.

* See Health and Safety Code Section 1522(g)(1) for exception.