KERN REGIONAL CENTER
CONTRACT CHECKLIST

New XX Renewal _____

Vendor Name Phase Two Services Corp. - PTS Five

Vendor Contact Information Judith Gonzalez, Owner/Administrator, (661) 496-8188
Type of Service Specialized Residential Facility - Children's Group Home

Service Code 113 Title of Contract PTS Five

Contract term dates August 7, 2012 to June 30, 2013 Contract Monitor Lynn Schultz

Contract Rate of Payment: $7,200.00 / month per client

Insurance Requirements Met: Yes XX No _____

Contract contains current "boilerplate" language: Yes XX No _____

1.25% reduction: Yes XX No _____

Scope of Work Summary:
This is a 4-bed Specialized Residential Facility, Children's group home for children ages 12-17 who are at risk of losing their community placement. Children have referrals to this facility will have current behaviors that include acts of moderate to severe physical aggression towards peers and staff, verbal confrontations and property destruction. Children may have a court ordered 6500, danger to self or others due to juvenile forensic issues or health and welfare related conditions coupled with the behavioral issues.
Additional Comments:
The staffing requirement for this facility is 356 hours per week. Staff working at this facility is required to have at least one year experience working with clients with developmental disabilities with behavioral challenges, be at least DSP-1 certified and First Aid/CPT. All staff must be CPI certified annually per contract.

Board Agenda Date: August 7, 2012

Recommended by: Lynn Schultz Date: August 7, 2012

Board Approval: Yes _____ No _____ Date: _____

Comments: _____

_____

CONTRACT

BETWEEN
KERN REGIONAL CENTER
AND
Phase Two Services Corporation
FOR PTS Five
A Specialized Residential Group Home

VENDOR #: PK5890 **SERVICE CODE: 113**

This Contract is entered into in the State of California by and between KERN REGIONAL CENTER, located at 3200 N. Sillect Avenue, Bakersfield, CA. 93308, hereinafter referred to as "KRC" and Phase Two Services Corp. located at 3400 Panama Lane Suite F-178; Bakersfield, CA 93313, hereinafter referred to as "CONTRACTOR".

Subject to the provisions for termination contained herein, the term of this Contract shall be from **August 7, 2012** to **June 30, 2013**.

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

I. PURPOSE

To provide residential services for children in a structured environment that staffing and training required by Title 22 exceed current Department of Developmental Services rate structure. Facility will not exceed licensed capacity and provision of providing single rooms to children will remain. The children living in this facility will have current behaviors that include acts of moderate to severe physical aggression towards peers and staff, temper tantrums, running away, verbal confrontations and property destruction. Children may have court ordered 6500, danger to self or others due to juvenile forensic issues or health and welfare related conditions coupled with the behavioral issues. This facility is located at 3415 Adanac Court; Bakersfield, CA 93309.

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. SERVICES

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. All staff that has contact with clients must be fingerprint cleared or have a background check completed by the CONTRACTOR.

Services shall be provided in accordance with the approved service description or program design for this service that by reference shall be part of this Contract.

CONTRACTOR shall comply with the clients KRC admissions agreement.

CONTRACTOR shall comply with all documented court orders, if applicable.

CONTRACTOR shall comply with all therapeutic services needed for residents to succeed in their community placement. Therapeutic services will be as deemed appropriate by Kern Regional Center.

CONTRACTOR shall, as identified in the program design, shall assure that all clinical professionals meet all the minimum vendor requirements pursuant to Title 17 Regulations.

CONTRACTOR shall maintain daily documentation (ID Notes) on every shift for each client.

Contractor shall meet with KRC Community Services Specialist at least annually and when needed, to complete the facility monitoring review.

CONTRACTOR will provide a minimum of the following information to KRC Service Coordinators during the 30-day (first year only), quarterly and annual client reviews:

- Clients name, UCI, DOB, client weight, report completed by, date of report
- Special Incident Reports – date(s) & short description
- Placement status (list dates and reasons for any absences from facility)
- General Health within reporting period – report illnesses within reporting period.
- Report all medical, dental, vision, labs, physicals completed during the reporting period. Include date & name of doctors seen and purpose of visit. Record all hospitalizations including admit & discharge dates, reason for hospitalization.
- List all medications including name, prescribing physician, dosage and purpose during reporting period.
- Document seizure activities including date, type, length of seizure
- P&I Balance
- List specific objectives being worked on at the facility – include whether client has met, progressed, or showed no progress on the specific objectives during the reporting period. Identify barriers to progress if any or that there are no barriers to progress.
- Any other client specific information that is pertinent to health & safety needs or concerns or other requests from the client service coordinator.

All staff working in this specialized residential facility shall have one -year experience working with developmentally disabled clients and be DSP-1 certified at the time of employment for this facility. Additionally all staff must have first aid, CPR, annual training in working with the residents for which the home is identified to serve, and annual Pro-ACT or CPI training.

See staffing grid below for weekly staffing requirements:

NUMBER OF CLIENTS	RATE PER CLIENT/month	BASIC HOURS	ADDITIONAL HOURS/week	TOTAL HOURS/week
1	$7,200	Basic*	-0-	Basic 168
2	$7,200	Basic	56	Basic + 56 = 224
3	$7,200	Basic	56 + 66	Basic + 122 = 290
4	$7,200	Basic	56 + 66 + 66	Basic + 188 = 356

*Basic is defined as 168 hours (24 hrs/day x 7 days/week).). Each facility is responsible for adjusting down the total basic hours to account for hours clients are not in the facility. The facility shall have awake staff at all times. If there is one consumer in the home during any shift, or a consumer is home from a school / day program, there shall be a minimum of one staff. Up to 7 hours of program preparation functions per client per week can be included in the above schedule. The Administrator or House Manager shall be identified and documented in records as performing program preparation such as; training, coordination between programs, scheduling, quality improvement and assurance, activity schedules, etc., during no specified shift.

CONTRACTOR shall provide documentation that the maximum staffing hours per week has been met prior to making requests for additional 1:1 staffing/program support.

CONTRACTOR will continually provide training to staff on behavioral intervention and communicable diseases.

IV. 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, by electronic attendance to KRC including the date, the start and end times of service provided to the consumer, street address where service was provided and daily or hourly units of service provided unless otherwise specified in this Contract. 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 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, 50605 and 54326. All records shall be supported by source documentation.

V. 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.

VI. 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.

Referrals outside of the KRC catchment area must be presented to the KRC Living Options Team for consideration of a residential placement.

VII. 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.

VIII. 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 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.

IX. CLIENT GRIEVANCE POLICY

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

X. 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 or herself 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.

XI. 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.

XII. 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).

XIII. 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.

XIV. 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.

XV. 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.

XVI. 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.

XVII. TERMINATION

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) 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.

XVIII. 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.

XIX. 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

Judith Gonzalez
Phase Two Services Corporation
3400 Panama Lane Suite F-178
Bakersfield, CA 93313

With copies to

Lynn Schultz, Community Services Specialist
Kern Regional Center
3200 N. Sillect Avenue
Bakersfield, CA 93308

XIX. EXECUTION

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

Phase Two Services Corporation
3400 Panama Lane Suite F-178
Bakersfield, CA 93313

Kern Regional Center
3200 No. Sillect Avenue
Bakersfield, CA. 93308

Judith Gonzalez
President

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 and Dislocations
  4. Bites that break the skin and require medical treatment beyond first aid
  5. Internal bleeding requiring medical treatment beyond first aid
  6. Any medication errors
  7. Medication reactions that require medical treatment beyond first aid
  8. 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 August 7, 2012, the rate by KRC to CONTRACTOR for this service shall be $**7,200.00** per **client / month**. This rate shall be subject to all rate reductions mandated by the Department of Developmental Services. Effective July 1, 2012, the state mandated rate reduction is 1.25% 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.