KERN REGIONAL CENTER
CONTRACT CHECKLIST

New _____ Renewal ___X___

Vendor Name Mercies Transportation

Vendor Contact Information Mercie Penerajo, 2700 K Street, Bakersfield, CA 93301

Type of Service Transportation Additional Component

Service Code 880 Title of Contract Transportation

Contract term dates 7.1.12-6.30.14 Contract Monitor Lynn Clark

Contract Rate of Payment: $60.00 per Vehicle Service Hour with a 5 hour minimum per day.

Insurance Requirements Met: Yes ___X___ No _____

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

1.25% reduction: Yes ___X___ No _____

Scope of Work Summary:

Transportation to and from authorized day programs for clients. (Includes outlying areas such as Tehachapi and Wasco.)
Vendored since August of 2007, they provide services to approximately 299 clients per day.

Additional Comments:

Board Agenda Date: _____

Recommended by: _____ Date: _____

Board Approval: Yes _____ No _____ Date: _____

Comments: _____

_____

TRANSPORTATION SERVICES CONTRACT

BETWEEN

KERN REGIONAL CENTER

AND

MERCIES
SHUTTLE

VENDOR NUMBER:	HK4234
SERVICE CODE:	880
TERM:	July 1, 2012 through June 30, 2014
CONTACT PERSON:	MERCIE PENAREJO, EXECUTIVE DIRECTOR
SERVICE ADDRESS:	2700 K STREET BAKERSFIELD, CA 93301

This Contract is entered into in the State of California by and between KERN REGIONAL CENTER, hereinafter referred to as "KRC" and MERCIES SHUTTLE, hereinafter referred to as "CONTRACTOR".

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

I. PURPOSE

CONTRACTOR shall provide transportation services to KRC clients.

II. MEANING OF WORDS

"Actual Miles" means the combined total of (1) Deadhead Miles (defined below) and (2) Route Miles (defined below) which encompass an entire vehicle route or route portion in connection with the CONTRACTOR'S providing of Transportation Services.

"Actual Time" means the combined total of (1) Deadhead Time (defined below) and (2) Vehicle Service Hours (defined below) which encompass an entire vehicle route or route portion in connection with the CONTRACTOR'S providing of Transportation Services.

"Broker" (or Broker/Designee) refers to a separate vendored service provider with which KRC contracts for specified transportation functions that also relate to this Contract. Currently KRC is contracting with one Broker whose services include the establishment and maintenance of a transportation database, planning and scheduling of client trips, route design and maintenance, and resolution of complaints or operational problems which may impact safety, quality and/or cost effectiveness. KRC is also contracting with another Broker whose services include the quality assurance audits, route audits, driver training, and investigating incident reports, scheduling issues and customer service complaints. For purposes of this Contract, KRC may additionally delegate to either Broker any function otherwise reserved to KRC if not specifically listed herein.

"Bus" means a vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, pursuant to California Vehicle Code Section 233(b).

"Deadhead Miles" means the number of miles (1) between the point where a vehicle leaves the parking yard (or other starting location for that day) on a route for the purpose of Transportation Services, and the point where the vehicle picks up the first client and (2) between the point where the vehicle drops off the last client, and the point where the vehicle returns to the parking yard or other ending location for that day (including travel to and from refueling stations if a part of the route) or any time a client is not aboard a vehicle.

"Deadhead Time" means the amount of time (1) between the time where a vehicle leaves the parking yard (or other starting location for that day) on a route for the purpose of Transportation Services, and the time where the vehicle picks up the first client and (2) between the time where the vehicle drops off the last client, and the time where the vehicle returns to the parking yard or other ending location for that day (including travel to and from refueling stations if a part of the route) or any time a client is not aboard a vehicle.

"Route Miles" means the number of miles driven on a route during the provision of transportation services from the point of the first client pick up to the point of the last client drop off. This may also be referred to as "Live Miles".

"Special Incidents" are defined by Title 17, Sections 54302(a)(53) and (62), and include the following events in which clients are involved:

Any incident involving a serious bodily injury when the client is under the care and supervision of CONTRACTOR;

Any incident in which a client is missing when the client is under the care and supervision of CONTRACTOR, and sufficient time has passed (but in any event not to exceed 24 hours) so that a missing persons report is required by law to be filed concerning the client; and

The death of any client, regardless of cause or living arrangement.

"Staff Personnel" means persons who are dually licensed and qualified pursuant to all applicable sections of the California Vehicle Code and any regulations of the California State Department of Developmental Services pertaining to licensing and qualifications to operate the vehicles used to transport persons with developmental disabilities.

"Title 17" refers generally (or specifically as cited) to the California Code of Regulations, Title 17, Division 2 (Department of Developmental Services).

"Transportation Equipment" means such transportation equipment as in full compliance with all applicable sections of the California Vehicle Code and regulations of the California State Department of Developmental Services for the safe transportation of persons with developmental disabilities.

"Transportation Service" means the CONTRACTOR'S conveyance of a client including boarding and exiting the vehicle.

"Vehicle Service Hours" (which will be calculated on a "live time" basis) means the time from the point of the first client pick-up to the last client drop-off on any given portion of the CONTRACTOR'S daily route assignment. Any time traveled during which clients are not aboard a vehicle will be considered Deadhead Time. Deadhead Time traveled from the parking yard or parking location to the first pick-up, and from the last drop-off back to the parking yard or other ending location, will not be included in the Vehicle Service Hours calculation.

III. TERM OF CONTRACT

The term of this Contract is for the period starting **July 1, 2012 and ending June 30, 2014**.

If CONTRACTOR provides services with permission of KRC beyond the expiration date of this Contract, this Contract shall become a month-to-month Contract for up to 24 months or until a new Transportation Contract is executed.

IV. SERVICES

CONTRACTOR shall have the necessary transportation equipment and staff personnel to transport clients pursuant to this Contract at all times.

CONTRACTOR shall, at time and locations agreed upon with KRC, transport clients authorized by KRC from specified collector points to the authorized day programs of such clients. CONTRACTOR shall provide the required number of vehicles, including back-up and wheelchair lift equipped, to perform the services outlined in this Contract. For billing purposes, transportation shall not exceed five (5) days per week per client and shall be confined to Monday through Friday unless the KRC Chief Executive Officer or his designee approves exceptions in writing.

KRC shall provide to CONTRACTOR a list of "Clients Authorized to Receive Transportation Services." CONTRACTOR shall not transport any persons not included on the list of "Clients Authorized to Receive Transportation Services" nor make changes to the list, without prior written approval by KRC.

CONTRACTOR shall not transport passengers other than those designated and approved by KRC at the same time as services are provided hereunder, without prior written approval by KRC. If written approval is given by KRC, such transport shall not interfere with CONTRACTOR'S services under this Contract and CONTRACTOR shall insure that KRC shall not be billed or pay for any costs associated with such transport.

Customer Service:

CONTRACTOR shall provide customer service to clients/families/service coordinators on questions and concerns about route schedules, absences and returns, late buses and the actual service provided.

CONTRACTOR shall notify the client/family of scheduled pick-up and drop-off times of the shuttle runs a minimum of 2 days prior to the effective date. In the event of an emergency approved by KRC, CONTRACTOR shall notify client/family accordingly.

CONTRACTOR shall maintain a written log of customer service calls including calls to clients/families pertaining to time schedules, service complaints, and late bus calls. The log shall indicate time of day and who was spoken with.

Route Implementation:

CONTRACTOR shall receive from KRC, via its Broker, all route sheets and schedules for the provision of authorized services described herein. All routes and schedules are subject to continuous approval and revision by KRC.

Route sheets shall identify all clients to be transported. Route sheets shall include the name of each client, the order of pickup or delivery, pickup and delivery address, family/client's phone number, the program/site to which each client is assigned, the scheduled arrival and departure times of vehicles assigned, vehicle requirements, and an indication of whether or not any client requires an Attendant or other special service or equipment.

CONTRACTOR shall implement each route exactly as established by Broker.

Broker shall also supply additional route documentation as mutually agreed upon to support CONTRACTOR in the implementation of the routes.

In the implementation of the authorized routes and schedules, CONTRACTOR shall take into consideration and be responsive to the special needs of KRC'S clients, including health and safety needs, as observed by CONTRACTOR and as conveyed by designated representatives of KRC and by clients and care providers themselves.

CONTRACTOR shall advise or communicate any of its concerns about the safety, efficiency or effectiveness of any route to KRC or Broker in a timely fashion.

CONTRACTOR shall notify Broker if the regular transportation schedule needs to be altered due to temporary equipment problems, emergency route changes, etc.

Routing and scheduling shall be aimed at providing the optimum mix of efficient, effective and high quality services, as determined by KRC in its sole and absolute discretion. In the absence of other objectives articulated by KRC, CONTRACTOR shall strive in cooperation with KRC to reduce total Vehicle Service Hours and individual and average client ride times to the minimum necessary for safe transportation.

V. REFERRALS

KRC or its Broker shall be the referring agency. KRC reserves the right to halt referrals to CONTRACTORS who have been Sanctioned pursuant to Title 17, Section 56057, CONTRACTORS who have failed to successfully complete Plans of Correction or have failed to provide KRC a plan to correct deficiencies noted in a Quality Assurance Evaluation 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.

VI. RATE OF 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 Attachment 1 entitled Payment Agreement which is 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 this Contract. 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 against current and future amounts due CONTRACTOR. The method shall be determined by KRC.

VII. 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.

VIII. BILLING

On a monthly basis, CONTRACTOR shall prepare and submit a monthly invoice and supporting documentation as required by this Contract including a completed Daily Bus Log and attendance submitted electronically as specified by KRC and Broker. In order to be paid by the 20th of the month, CONTRACTOR shall submit billing no later then the 5th of the month. If billing is submitted after the 5th, payment may be delayed. CONTRACTOR must certify that the information submitted for payment is accurate and a true reflection of services provided. CONTRACTOR shall ensure that billing information provided to KRC identifies each individual client and, for each client, the specific dates of service, location of service, service unit, unit costs and other information necessary to support billing under the home and community based services waiver. All information submitted must include Vendor Name, Vendor Number and Service Code. Monthly documentation shall include:

A Daily Bus Log (a copy shall be provided to Broker)

Attendance data information identifying each KRC client including the Unique Consumer Identifier (UCI) and client name (a copy shall be provided to Broker)

Total Actual Time traveled for the month

Total Vehicle Service Hours traveled for the month

Total dollars billable for the month

KRC reserves the right to withhold payment for services until appropriate and complete information is submitted.

CONTRACTOR shall ensure that transportation costs only, are submitted to KRC for reimbursement under the transportation component. Travel costs shall be included in the day program component. Other uses of vehicles shall not be included in transportation costs. All costs shall be accounted for separately.

IX. REPORTING REQUIREMENTS

CONTRACTOR shall administer services in accordance with the provisions of this Contract, maintain records and provide KRC with reports of client ridership, service and performance as indicated in this Contract, in order to enable KRC to monitor and evaluate the performance of the CONTRACTOR'S services pursuant to this Contract. KRC reserves the right and option from time to time to delegate some or all of its monitoring and evaluation rights under this Contract to one or both Brokers and CONTRACTOR shall fully cooperate with Broker as KRC'S authorized representative. Upon KRC'S request, CONTRACTOR shall provide additional information necessary for KRC to fulfill KRC'S reporting requirements. CONTRACTOR'S records and reports shall include the following:

Special Incidents:

CONTRACTOR shall submit a report to KRC by telephone, electronic mail or fax immediately, but not more than 24 hours after learning of the occurrence of the Special Incident. CONTRACTOR may submit a verbal report directly to KRC via KRC'S voice mail or 24 hour answering service procedure, if the report is being made after KRC'S business hours.

CONTRACTOR shall submit a written report of the Special Incident to KRC and Broker within 48 hours after the occurrence of the Special Incident.

CONTRACTOR'S written incident reports for Special Incidents shall contain at least the following basic information: identification of client(s) and/or other parties involved (including names of any alleged perpetrators and/or witnesses as applicable); description of occurrence and any effect on clients and others; any treatment or medical intervention provided to client(s); any initial action taken by CONTRACTOR'S personnel, the client or other individuals during and/or in response to the incident; any additional follow-up action planned by CONTRACTOR; any law enforcement, licensing, protective services and/or other agency involved in the Special Incident; and identification of family members and/or the client's authorized representative, if applicable, who have been contacted or informed of the incident.

Notice of Events Other Than Special Incidents:

CONTRACTOR shall notify KRC within 24 hours, and also report in writing to KRC and Broker within 48 hours: any accident involving a vehicle of CONTRACTOR which occurs when any KRC client is on board, whether or not involving an injury and any other occurrences which are or may be detrimental to health or safety, or which involve KRC'S clients and/or CONTRACTOR'S equipment or personnel. Further, CONTRACTOR shall require all of its personnel to report any concerns, problems or incidents relating to clients' well being or behavior during the provision of services, and CONTRACTOR shall communicate such concerns to KRC within 24 hours and in writing to KRC and Broker within 48 hours of the occurrence of the problem or incident.

CONTRACTOR shall provide any additional follow-up information concerning an accident/incident as may be requested by KRC or Broker.

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.

X. INSURANCE

CONTRACTOR shall at all times during the term of this Contract maintain public liability and property damage insurance (including automotive coverage), with endorsements satisfactory to KRC and in the amount of at least $1,000,000.00 (ONE MILLION DOLLARS) combined single limit, unless KRC, in its sole discretion, agrees in writing to a lesser limit of liability. CONTRACTOR shall provide medical insurance coverage for medical expenses in the amount of at least $2,000.00 (Two Thousand Dollars) per passenger. The insurance shall be primary and exclusive over any and all valid and collectable insurance, which may be available to KRC. If a claim is made which exceeds coverage, KRC is held harmless. CONTRACTOR shall obtain all necessary endorsements and additional coverage to protect KRC against all loss and liability arising out of CONTRACTOR'S and its employees', representatives' and agents' use of such vehicles, including separate automobile insurance if applicable. With respect to all Employee Vehicles, CONTRACTOR shall obtain "Non-Owned Automobile Insurance" for the benefit of KRC, and with respect to all vehicles, CONTRACTOR shall obtain "Hired Automobile Liability Insurance" for the benefit of KRC, each with the limits of liability set forth above. CONTRACTOR shall not perform any services under this Agreement until it has obtained all required insurance, and certificates of insurance have been delivered to and approved by KRC. All of CONTRACTOR'S insurance carriers shall at all times be licensed to transact the business of insurance in the State of California, shall have a rating of A- and IX or higher in the most current edition of Best's Insurance Guide, and shall be acceptable to KRC.

All of CONTRACTOR'S insurance shall name KRC as an additional insured on the policy of insurance. Proof of insurance shall contain a statement that the policy shall not be canceled, reduced in required limits of liability, or modified as to coverage until thirty days after receipt by KRC of written notification of such cancellation or reduction.

CONTRACTOR shall not construe the limits of CONTRACTOR'S insurance policies as limiting in any manner any obligation assumed in its performance under this Contract.

CONTRACTOR shall, at all times, maintain Worker's Compensation Insurance covering all persons providing services hereunder.

Upon each policy renewal, CONTRACTOR shall direct writer of insurance to provide KRC with proof of insurance policy listing CONTRACTOR as the insured party, policy number(s), type of insurance, policy effective/expiration date and dollar amount of liability limits. CONTRACTOR shall also direct writer of insurance to provide KRC with proof of Worker's Compensation Insurance.

If at any time during the term of this Contract the insurance required pursuant to this section is canceled, reduced or modified or is otherwise not in force, CONTRACTOR shall not be entitled to payment for any services rendered during any such time period and KRC shall have the option (but not the obligation) to pay any premium necessary to reinstate such insurance to the amounts and coverage required under this Contract, in which event KRC shall deduct such costs from the next sums owed to CONTRACTOR under the Payment Agreement with KRC and any other vendor number for which CONTRACTOR is entitled to compensation from KRC.

XI. VEHICLE REQUIREMENTS

All of the provisions of this Contract (including but not limited to the insurance provisions herein) shall apply to all vehicles used by CONTRACTOR and its agents, employees and representatives for Transportation Services provided to KRC'S clients. All of such vehicles shall be either owned or leased by CONTRACTOR ("CONTRACTOR Vehicles") or owned or leased by an employee of CONTRACTOR ("Employee Vehicles"). CONTRACTOR accepts full responsibility for properly equipping, maintaining and insuring both CONTRACTOR Vehicles and Employee Vehicles, and for insuring all CONTRACTOR Vehicles and Employee Vehicles fully comply with all terms and provisions of this Contract. All references in this Contract to "vehicles" shall mean both CONTRACTOR Vehicles and Employee Vehicles, unless expressly stated to the contrary.

KRC or its Broker shall have the right to inspect vehicles or monitor personnel used by CONTRACTOR for provision of services pursuant to this Contract. Notwithstanding KRC'S or its Broker's right to monitor CONTRACTOR'S obligation to maintain and repair the vehicles and equipment, and train and oversee the performance of CONTRACTOR'S personnel, nothing in this Contract shall obligate KRC or its Broker to inspect the vehicles or equipment, monitor CONTRACTOR'S personnel or determine whether any vehicle is suitable for its intended use. KRC or its Broker shall have no liability to CONTRACTOR, any client or other third party for any personal injury or damage resulting from the condition or lack of maintenance of any vehicles.

Before any services are rendered by CONTRACTOR under this Contract, and at all times during the term of this Contract, to the extent required by law: CONTRACTOR shall provide and maintain vehicles which meet all legal requirements, including the California Highway Patrol annual terminal inspection pursuant to California Vehicle Code Sections 34501(c) and (e), as such statute may be amended; and CONTRACTOR shall submit all vehicles to an annual inspection as required by the California Highway Patrol, Motor Carrier Division. CONTRACTOR shall cause copies of such inspection reports, and documentation that any items cited for repairs or completion have been satisfactorily addressed, to be immediately forwarded to Broker.

CONTRACTOR shall provide the required number of vehicles, including back-up and wheelchair lift equipped if necessary, to perform the services outlined in this Contract. All vehicles used by CONTRACTOR shall contain:

A fully charged fire extinguisher that is maintained on a yearly basis and is secured in an accessible area

Pursuant to Title 22, Section 80075, a complete first aid kit which will meet basic life support needs, which shall include but not be limited to: a first aid manual, sterile first aid dressings, bandages, adhesive tape, scissors, tweezers, and antiseptic solution. The first aid kit shall be located in an accessible area. KRC recommends: gloves, a CPR micro shield and an instant ice pack be included in the first aid kit. KRC also recommends blankets, water and disaster supplies, such as an earthquake kit is included in the vehicle.

Emergency flares or reflectors

A manual or handbook that lists emergency phone numbers and outlines accident and breakdown procedures

Any other safety equipment required by law

CONTRACTOR shall insure that lifts and appropriate tie-downs are available on all vehicles needed to transport KRC clients dependent upon wheelchairs for their general mobility.

KRC requires all vehicles to be equipped with a two-way communications system (e.g., cell phone), which is functional and able to receive and send communications at all times.

All vehicles shall be equipped with heat and air-conditioning in good working order.

All vehicle equipment shall at all times comply with all applicable State, Federal and local vehicle codes and specifications.

At all times, all vehicles shall be clean, sanitary, and in good functional, safe working order.

If during the term of this Contract any installation or modification of equipment is required due to a change in the law or applicable rules and/or regulations, such modification or installation shall be made and paid for by CONTRACTOR without notification from KRC.

Each vehicle put into service pursuant to this Contract shall have the required number of seat belts and wheelchair tie-downs required by law. CONTRACTOR shall enforce usage of seat belts and tie-downs for all passengers (including aides) at all times while riding in vehicles and ensure that each work properly.

CONTRACTOR shall keep vehicles in good mechanical and safe operating condition, establish a regular and systematic program of preventive maintenance checks and services in accordance with State and Federal regulations and vehicle manufacturer recommendations, and provide necessary vehicle repairs as soon as possible. Detailed records shall be kept of each inspection or service performed that include identification of the vehicle, the date or mileage and nature of each inspection, maintenance, lubrication and repair performed. CONTRACTOR shall make such records available for inspection by KRC or its Broker, in a format that is specified by KRC.

CONTRACTOR shall complete pre-trip inspections on each vehicle prior to clients boarding. Inspections shall be made daily and shall include but not be limited to a review of the following: tires, lights, turning signals, fluid levels, brakes, mirrors, horn, physical damage that may be a safety hazard, the presence of a fire extinguisher and its expiration date and the presence of a first aid kit and its contents. Pre-trip inspection forms shall indicate items that are missing from the vehicle or services that need to be performed on the vehicle. CONTRACTOR shall document in writing the items that were replaced or the services that were performed.

Pursuant to California law effective January 1, 2012, KRC clients under the age of eight (8) years must be secured in a car seat or booster seat in the back seat. Clients under the age of eight (8) years who are 4'9" or taller may be secured by a safety belt in the back seat. All car seats or booster seats must be in clean condition and good working order. All seats shall be properly installed and conform to federal standards for use in motor vehicles, and shall meet the standards for the age and weight of the client that is using the seat. All seats are subject to approval by KRC or its Broker.

XII. DRIVER REQUIREMENTS

All drivers, and any attendants (if applicable), shall have all clearances, approvals and permits as required prior to assuming a driving assignment, and shall maintain:

A valid California driver's license pursuant to California Vehicle Code Section 12500

If operating a vehicle defined as a bus, a Class B license with a P endorsement and a Medical certificate issued within the last two (2) years pursuant to California Vehicle Code Section 12804.9

A current First Aid certification (obtained within 90 days of employment)

A current CPR training certification (obtained within 90 days of employment)

A Vehicle for Developmentally Disabled Persons (VDDP) Certificate pursuant to California Vehicle Code Section 12523.6, if applicable. To determine if this certificate is applicable, CONTRACTOR shall provide documentation of driver work hours if requested by KRC or Broker.

CONTRACTOR shall maintain a copy of the items listed above, in each driver's or attendant's (if applicable), personnel file for review by KRC or its Broker.

KRC requires that CONTRACTOR adhere to all applicable Federal drug and alcohol testing requirements for all drivers, and any attendants (if applicable).

All drivers, and any attendants (if applicable), shall be at least 18 years of age and, to the best of CONTRACTOR'S knowledge, be in good physical and mental health at all times when driving or riding in vehicles.

All drivers, and any attendants (if applicable), shall be well groomed in compliance with CONTRACTOR'S personnel policy book dress code.

All drivers shall be in possession of a map of the service area, appropriate route lists and have a working timepiece or vehicle clock when driving on a route. CONTRACTOR shall assure that each driver can read and comprehend the maps and routes provided.

All drivers, and any attendants (if applicable), shall be courteous and interact with clients, families and program destination staff in a positive and professional manner. CONTRACTOR shall not allow any person with a known condition of mental or emotional instability to operate a vehicle or be an attendant.

CONTRACTOR shall review driver and attendant performance at least once each year for the purpose of observing their actual performance with respect to: safety and mechanical operation; conformance with laws, policies and regulations; adherence to established routes and schedules; quality of service to clients; and other factors inherent in determining compliance with required operating practices.

Copies of the driver reviews and any attendant reviews shall be maintained by CONTRACTOR in its permanent employee record during the term of each person's employment by CONTRACTOR and one

year thereafter, and shall be available for review by KRC upon request. All drivers, and any attendants (if applicable), assigned to perform services under this Contract shall maintain a minimum evaluations rating of satisfactory on all of CONTRACTOR'S evaluation.

CONTRACTOR shall participate in an on-going DMV 'pull notice' program for all drivers (including those attendants who also drive vehicles; such attendants are considered to be drivers for purposes of this Contract). Such reports shall be prepared and filed by CONTRACTOR and may be reviewed by KRC and its Broker. In accordance with Title 17, Section 58520(d) CONTRACTOR shall, at a minimum, require that each driver it hires has not been convicted of driving under the influence of alcoholic beverage or any drug or a combination of the two pursuant to Vehicle Code Sections 23152 and 23153 within five years immediately preceding employment, or at any time during employment, or of reckless driving, or speed contest pursuant to Vehicle Code Sections 23103, 23104 and 23109 within three years immediately preceding employment, or at any time during employment.

CONTRACTOR shall be responsible for all driver and attendant training necessary for the safe and efficient provision of services under this Contract. The scope of training includes, but is not limited to, new staff orientation and training, review/renewal training, safety training and remedial training.

Initial orientation shall, at KRC'S discretion, consist of at least 40 hours of CONTRACTOR instruction (for new drivers) and at least 20 hours of CONTRACTOR instruction (for any new attendants, if applicable) prior to assignment to a route. The initial orientation and on-going in-service training for drivers and attendants shall include the following as applicable: defensive driving; safety program; cardio-pulmonary resuscitation; emergency first aid; map reading and service area orientation; client and cultural sensitivity; overview of developmental disabilities and the regional center service system; epilepsy and seizure procedures; passenger assistance and supervision; vehicle handling and care; reporting and documentation; client confidentiality and working with challenging behaviors. Documentation of training shall be kept.

Pre-qualified (that is, licensed and experienced) drivers, and any applicable attendants, hired by CONTRACTOR shall be fully evaluated and have, at minimum, 10 hours of refresher training and orientation before CONTRACTOR assigns such person to a route.

CONTRACTOR shall develop and implement a safety and education program for drivers and attendants. Safety training for each driver and attendant shall be provided a minimum of 10 hours per year. Documentation of training shall be kept.

CONTRACTOR shall develop and implement a pre-employment screening program for all drivers that includes a pre-employment drug screening and an initial Department of Motor Vehicles check. CONTRACTOR shall also require each driver to demonstrate that the driver is capable of safely operating each different type of vehicle before driving such vehicle on a highway unsupervised.

CONTRACTOR shall maintain information that is accessible to drivers and attendants in each vehicle that includes but is not limited to: individual client information, route descriptions, emergency procedures, mileage and pre-trip inspection forms and any information on pertinent safety issues.

Drivers and attendants who are required to lift clients in and out of vehicles shall have training in lifting techniques and treatment of handicapped persons who must be lifted. All such personnel shall be physically capable of performing the required lifting.

Drivers and attendants shall be competent in the use of car seats, seat belts, tie-downs, wheelchairs, hydraulic lifts, ramps and other equipment used for transporting, boarding and exiting clients from the vehicle, if applicable.

Drivers shall assist clients in boarding and exiting the vehicle. CONTRACTOR shall provide a step stool for clients that have difficulty boarding and exiting the vehicle. Drivers shall not be responsible for assisting a client to and from the residence and vehicle.

Drivers shall ensure that clients are securely fastened in their car seat, seat belt and/or wheelchair tie-down and that each device is working properly, before the vehicle is in motion.

Use of alcohol or illegal drugs by a driver or attendant on a vehicle, or while in KRC'S service, is prohibited. Use of tobacco by a driver or attendant on a vehicle is prohibited. Firearms and other weapons are also prohibited on said vehicles, and when detected, CONTRACTOR shall take immediate action in accordance with applicable laws.

Any driver or attendant reported as having committed any verbal or physical abuse of a client, or any felony while on duty, shall be subject to suspension by CONTRACTOR from all transportation activities involving KRC'S clients, pending investigation. If any driver or attendant actually commits any client abuse or felony while on duty, CONTRACTOR shall immediately remove such driver or attendant from all activities involving KRC'S clients.

CONTRACTOR shall assure an attendant is provided for each site or route on which a client identified by KRC as requiring such an attendant is riding.

CONTRACTOR shall provide documentation on all items when requested by KRC or its Broker, in a format that is specified by KRC.

Administration and Supervision Personnel:

CONTRACTOR shall maintain personnel deemed appropriate for effective management, supervision and operation of the Transportation Services provided to KRC under this Contract. This shall include the availability of personnel to receive and place telephone calls, to monitor/dispatch the service during the hours clients are being transported, and to respond to emergencies within a reasonable period of time.

In addition to such other management and supervisory personnel as may be required to perform services hereunder, CONTRACTOR shall assure that one person shall be available during all operating hours for the purpose of monitoring service delivery and with the authority to act on behalf of CONTRACTOR

XIII. SAFETY AND QUALITY REQUIREMENTS

In the performance of service under this Contract, CONTRACTOR shall meet the following safety and quality requirements in conjunction with other conditions contained within this Contract:

CONTRACTOR and its drivers shall obey all laws and exercise the highest degree of care possible at all times to avoid accidents and protect the safety of passengers.

It is the responsibility of the CONTRACTOR to lawfully maintain orderly conduct on all vehicles transporting KRC clients, consistent with legally allowable actions and reasonable KRC directives, without the threat or use of physical force and with due regard for the rights and dignity of the individual.

CONTRACTOR shall ensure that the number of passengers does not exceed the number of safe and adequate seating spaces specified by the seating capacity rating. Also, all passengers must be seated and remain seated while the vehicle is in motion. No vehicle shall depart from a stop until the driver has determined that all client seat belts and wheelchair tie-downs have been appropriately secured.

CONTRACTOR shall have a procedure to evacuate clients from the vehicle in an emergency.

Clients requiring release into the custody of a responsible party/person in accordance with the provisions of this Contract shall not be released if CONTRACTOR cannot determine that a responsible party/person is present.

CONTRACTOR shall promptly investigate and, if warranted, take action to resolve any allegations or complaints regarding the behavior and conduct of any driver or other personnel, which does not conform to the provisions of this Contract.

At all times CONTRACTOR is involved in transporting KRC'S clients, the individuals allowed in each vehicle shall be: the driver, those attendants who meet the requirements set forth in this Contract, those clients who KRC has authorized CONTRACTOR to transport, and any authorized party/person from KRC, its Broker, or CONTRACTOR.

CONTRACTOR shall not suspend transportation service for any client without the prior written approval of the KRC Chief Executive Officer or his designee except in the case of an emergency that threatens the safety and well being of others. CONTRACTOR shall, within one working day following the refusal to transport a client, notify KRC. CONTRACTOR shall, within five working days following the refusal to transport a client, submit a written explanation of the refusal to KRC. The suspension shall only be temporary until a satisfactory solution can be negotiated with KRC and/or the program's Director.

At no time shall CONTRACTOR eject a client from a vehicle while the vehicle is in route.

CONTRACTOR shall prohibit animals on vehicles while transporting KRC clients with the exception of service dogs.

XIV. MONITORING

KRC or its Broker shall reserve the right to monitor all areas of CONTRACTOR'S performance under this Contract, including but not limited to taking the following actions: boarding vehicles or riding on vehicles during service periods if seats are available, observing at pick-up and drop-off locations, observing dispatch operations, observing driver training, observing vehicle conditions, reviewing operations, and safety and maintenance records and conducting quality assurance reviews/audits. CONTRACTOR shall go through two quality assurance reviews/audits per fiscal year. CONTRACTOR shall resolve all partial and non complaint areas as indicated in the written report, in the timeline that is set by KRC or its Broker.

KRC or its Broker reserves the right to thoroughly investigate all accidents/incidents including Special Incidents. The scope of KRC'S or its Broker's investigation includes requesting additional information and reports concerning any accidents/incidents as described in this Contract.

KRC and its Broker shall monitor client ride times to assure that the system total average ride time is sixty (60) minutes or less per trip and that no individual client ride time exceeds ninety (90) minutes per trip. In the case of unusual circumstances, ride times exceeding ninety (90) minutes requires prior written approval of KRC.

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

XV. CLIENT GRIEVANCE POLICY

CONTRACTOR shall adopt and periodically review a written internal procedure to resolve client grievances pursuant to Welfare and Institutions Code Section 4705.

XVI. CLIENT CONFIDENTIALITY

CONTRACTOR shall establish procedures to ensure the confidentiality of client information in accordance with Section 4514 and 5328 of the Welfare and Institutions Code. These procedures shall include training for staff and drivers, as well as physical protection of records containing client information.

CONTRACTOR shall release the following client information only to the driver and only when necessary to protect the health and/or safety of the client, driver, transportation aide or other passengers:

Name, address and telephone number of the client, authorized client representative and/or physician

Client's disability, medication needs, allergies and/or other conditions that may affect the vendor's provision of transportation services

Additional client information determined necessary by KRC

XVII. CONTRACTOR NOT EMPLOYEE OF KRC

CONTRACTOR, his/her employees, or agents performing under this Contract are not deemed to be employees of KRC, nor agents of KRC. The above named CONTRACTOR is an independent contractor and is solely responsible for the manner of operation of his/her business except to the extent as limited by the parties to this Contract.

CONTRACTOR shall not hold himself/herself out as, nor claim to be an officer or employee of KRC or of the State of California by reason hereof and will not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of KRC or 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.

XVIII. 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.

XIX. SUBCONTRACTING

CONTRACTOR shall not subcontract any part of the services to be provided pursuant to this Contract without written approval from KRC.

XX. 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

XXI. NON-ASSIGNABILITY OF CLAIMS

No claim, either in whole or in part, arising under this Contract shall be transferred or assigned by CONTRACTOR.

XXII. PERMITS AND LICENSES

CONTRACTOR, its employees and agents shall secure and maintain valid permits and licenses as required by law for the execution of services pursuant to this Contract.

XXIII. SURVEYS AND INFORMATION COLLECTION

CONTRACTOR shall participate in surveys, questionnaires, and other information collection KRC may from time to time deem necessary to provide a proper assessment of its transportation services.

XXIV. COST EFFECTIVENESS

CONTRACTOR shall work with KRC or its Broker to develop cost effective services including, but not limited to, routing, scheduling, vehicle maintenance and insurance, and coordination with public and other social service systems.

KRC reserves the right to establish procedures or best practices for all contractors.

XXV. COORDINATION OF SERVICES

CONTRACTOR shall participate to the extent possible with KRC, CalTrans, regional transportation planning agencies, and local, county, and city officials in efforts to coordinate transportation services for the elderly and handicapped.

XXVI. ADDITIONAL FUNDING SOURCES

CONTRACTOR shall participate to the extent possible in acquiring additional funding from sources for which they may be eligible such as United Way Funds or FTA Section 5310 grants (formerly known as Section 16).

XXVII. RECORD KEEPING AND AUDIT PROVISIONS

CONTRACTOR shall maintain books, records, documents and other evidence pertaining to all income, expenses, and services under this Contract for a period of five 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. These include the following:

Those required for audits pursuant to Title 17 Section 50604
Those used in calculating the rate of payment
The written contract
Special Incident Reports pursuant to Title 17 Section 54327
The safety compliance rating issued by the CHP, (if applicable)
All maintenance records of vehicles used in providing transportation service to KRC clients
CONTRACTOR'S insurance policy

For each driver:

A valid certificate in CPR and First-Aid
A valid drivers license issued by the DMV
Pull Notices produced by the DMV
A medical certificate as required by the DMV (if applicable)
A Vehicle for Developmentally Disabled Persons Certificate (VDDP) (if applicable)
Documentation of driver orientation and training
Documentation of all pre-employment or random drug screening information

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.

KRC'S rights described in this Section shall not be limited by a requirement of prior notice, but KRC'S access to and inspection of CONTRACTOR'S records, equipment, vehicles and facilities without prior notice shall be limited to situations where KRC or the Department of Developmental Services determines that the purpose of the access and inspection would be thwarted if advance notice were given. KRC'S right of access shall not be limited to the required record retention period specified elsewhere in this Contract.

For purposes of audit and inspection in accordance with this Contract, KRC and CONTRACTOR shall agree to use and be bound by Title 17, California Code of Regulations, Subchapter 6 "Service Provider Accountability".

CONTRACTOR shall use 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 the audit and promptly repay amounts owed unless appealed and liquidation is stayed pursuant to Title 17, Section 50705.

XXVIII. 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 VI (Rate of 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 restrictions or conditions enacted by the Legislature and contained in the Budget Act or any other statute enacted by the Legislature including subsequent amendments to statute which may affect the provisions, terms or funding of this Contract in any manner.

No term or clause of this Contract shall be so construed as to excuse or relieve compliance with any Federal or State regulation or statute. Any amendment or modification to this Contract shall comply with 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 contract not incorporated herein shall be binding by any of the parties hereto.

XXIX. EARLY 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:

> CONTRACTOR has not complied with provisions of this Contract or the terms of purchase of service authorization, if applicable. Examples of CONTRACTOR'S noncompliance with this Contract include, but are not limited to, CONTRACTOR'S refusal or failure to provide equipment or personnel at the times and in the quantities

required by this Contract and adequately equipped vehicles and properly trained personnel; or

CONTRACTOR has not complied with any of the vendorization requirements in Title 17, Section 54370(b)(1) through (7). For purposes of this Paragraph, CONTRACTOR'S failure to maintain the insurance required by this Contract constitutes CONTRACTOR'S failure to comply with vendorization requirements under Title 17, Section 54370(b)(1) and (b)(4); or

CONTRACTOR has not complied with applicable Federal or State regulations, local ordinances or statutes governing CONTRACTOR'S service program hereunder or the provision of services to persons with developmental disabilities; or

CONTRACTOR has filed for bankruptcy, and such claim has not been dismissed within 90 days, or CONTRACTOR has made a general assignment for the benefit of creditors, or a receiver is appointed as a result of CONTRACTOR'S alleged insolvency.

If the basis for terminating this Contract is based on any of the events described above, KRC shall deliver its termination notification in writing to CONTRACTOR by registered return receipt requested mail so that it is received at least one working day in advance of termination of this Contract, in accordance with the requirements (and containing the information) set forth in Title 17, Sections 54370(b) and (d). This Contract shall not terminate if CONTRACTOR takes either of the following actions prior to the expiration of the period stated in the termination notice: corrects the violation(s) to KRC'S satisfaction (including but not limited to accepting reassigned routes with new contingencies imposed by KRC, if applicable) and provides documentation of the correction to KRC; or files an appeal in accordance with Title 17, Section 54380.

If the basis for terminating this Contract is based on an event other than the events described above, KRC shall deliver its termination notification by certified mail to CONTRACTOR 30 days in advance of termination of this Contract, in accordance with the requirements set forth in Title 17, Section 50611. Such notification shall contain the reason or reasons for KRC'S intention to terminate this Contract. Unless CONTRACTOR, within 30 days after service of such notice, causes the condition or violation to cease, and makes arrangements consistent with the terms of this Contract and satisfactory to KRC for the correction of the violation (including but not limited to accepting reassigned routes with new contingencies imposed by KRC, if applicable), this Contract shall terminate upon the expiration of such 30 day period, and KRC shall have no further obligation hereunder. .

Pursuant to Title 17, Section 54370(g), CONTRACTOR'S filing of any request for hearing or appeal shall not preclude KRC from withdrawing from CONTRACTOR the right to perform services under this Contract if KRC believes such withdrawal is necessary to protect the health, safety and welfare of its clients.

At those times when CONTRACTOR fails to provide (or fails to adequately provide) the services, vehicles or personnel required under this Contract, KRC may immediately secure such services from any third party, whether or not KRC has provided a notice of termination to CONTRACTOR.

This Contract shall be subject to termination without cause by either party provided the parties to the Contract mutually agree to the termination; or the party initiating the termination gives a 90 day written notice of intention to terminate.

XXX. AMMENDMENTS AND WAIVERS

The parties to this Contract, may amend, extend or otherwise modify the scope of services as described herein. However, any such modifications shall not be valid unless they are documented in writing, signed by all parties to this Agreement and remain subject to review and approval of DDS in accordance with

the provisions of Title 17, Section 58525. Any amendment or modification of this Contract shall comply with requirements of applicable Federal, State and local statutes and regulations.

XXXI. 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.

Both parties shall be excused from performances during the time and to the extent that either party is prevented from performing by acts of God, strikes, commandeering of vehicles, materials, products, plants or facilities by the government when evidence thereof is presented to the other party.

XXXII. 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 Law, Chief Executive Officer Kern Regional Center 3200 No. Sillect Avenue Bakersfield, CA. 93308
If to CONTRACTOR	Mercie Penarejo, Executive Director Mercies 2700 K Street Bakersfield, CA 93301
With Copies to:	Lynn Clark, Community Services Specialist Kern Regional Center 3200 No. Sillect Avenue Bakersfield, CA. 93308

XXXIII. EXECUTION

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

Mercies 2700 K Street Bakersfield, CA 93301	Kern Regional Center 3200 No. Sillect Avenue Bakersfield, CA. 93308
Mercie Penarejo Executive Director	Duane Law, MA Chief Executive Officer
Date	Date

ATTACHMENT 1 - PAYMENT AGREEMENT

The following is an agreement between **KERN REGIONAL CENTER** and the following provider of services

MERCIES
SHUTTLE

In reference to the level of payment for the following service:

Vendor Number: **#HK4234**
Name of Service: Transportation - Additional Component
Service Code: 880

The provider agrees to accept the following rate(s) of payment for the service above:

Term period: **July 1, 2012** through **June 30, 2014**
Term rate: **$60.00** per **Vehicle Service Hour with a 5 hour minimum per day.**

This rate shall be subject to all rate reductions mandated by the Department of Developmental Services. Current Trailer Bill Language mandates a 1.25% rate reduction. This rate shall be in effect until revised.

Signed:

Mercie Penarejo Executive Director	Duane Law, MA Chief Executive Officer
Date	Date