

BED HOLD SERVICES MASTER CONTRACT
FOR
FOSTER FAMILY AGENCY – EMERGENCY SHELTER CARE
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND



(CLICK HERE AND ENTER NAME OF CONTRACTOR)

(CLICK HERE AND ENTER CONTRACT NUMBER)

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) # 93.658

Department of Children and Family Services
Contracts Administration
510 S. Vermont Avenue
Los Angeles, California 90020

JULY 2027

**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOSTER FAMILY AGENCY - EMERGENCY SHELTER CARE SERVICES
MASTER CONTRACT FOR BED HOLD SERVICES**

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Exhibit B	Line Item Budget
Exhibit B-1	Contractor's Invoice
Exhibit C	CONTRACTOR's Equal Employment Opportunity (EEO) Certification
Exhibit D	CONTRACTOR Acknowledgement and Confidentiality Agreement
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Exhibit D-3	Resource Family Parent Acknowledgement and Confidentiality Agreement
Exhibit E	Auditor-Controller Contract Accounting and Administration Handbook
Exhibit F	Internal Revenue Service Notice 1015
Exhibit G	Los Angeles County Sections 2.203.010 – 2.203.090 and County of Los Angeles Contractor Employee Jury Service Program Application for Exception and Certification Form

Exhibit H	Intentionally Left Blank
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Exhibit K	Charitable Contributions Certification
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Exhibit P	Contractor's Compliance with Encryption Requirements
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Exhibit U	Federal Award Information

**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOSTER FAMILY AGENCY – EMERGENCY SHELTER CARE SERVICES**

Foster Family Agency - Emergency Shelter Care Services Contract (hereinafter referred to as "Contract").

This Contract is made and entered into this ____ day of _____, 20XX ____ by and between

County of Los Angeles
hereinafter referred to as "COUNTY"

and

Contractor
hereinafter referred to as "Contractor"

RECITALS

WHEREAS, pursuant to Government Code Sections 26227, 31000 and 53703, COUNTY is permitted to contract for services; and

WHEREAS, the County of Los Angeles is designated to administer Emergency Shelter Care Services pursuant to the provisions of California Department of Social Services, Child Welfare Services Manual, Child Welfare Services Program Placement Sections 31-410 and 31-415;

WHEREAS, the COUNTY desires and has the duty to provide care and protection for children placed its charge pursuant to the provisions of the Welfare and Institutions Code (WIC) Section 16500 et seq; and

WHEREAS, existing COUNTY facilities do not have the capacity or the specialized programs to provide the care and protection for all children in its charge; and

WHEREAS, the COUNTY finds it impractical to develop and maintain facilities to care for all of the children in its charge; and

WHEREAS, COUNTY has determined that the services to be provided under this Contract are economically advantageous to COUNTY and to provide a safe, secure and nurturing living environment in which the children can develop physically, emotionally, socially, educationally, spiritually and culturally; and

WHEREAS, CONTRACTOR is a Foster Family Agency Contractor with the County of Los Angeles, on Contract Number _____, in good standing; and

WHEREAS, CONTRACTOR warrants that it possesses the competence, expertise and personnel necessary to provide such services, and understands for purposes of this contract considers itself a sub-recipient insofar as compliance with Office of Management and Budget (OMB) 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and 2 CFR 1.100, title 2, Part 1,

WHEREAS, pursuant to the California Department of Social Services, 23-600, Purchase of Service, the COUNTY is authorized to contracts for Emergency Shelter Care.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto do agree as follows:

PART I: UNIQUE TERMS AND CONDITIONS

1.0 APPLICABLE DOCUMENTS AND DEFINED TERMS

- 1.1 This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Part II, Section 6.0, Changes and Amendments and signed by both parties.
- 1.2 Exhibits A, B, B-1, C, D, D-1, D-2, D-3, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, and T, and U set forth below, are attached to and incorporated by reference in this Contract.
- 1.3 The headings, page numbers, sections, and sub-section numbers contained in this Contract are for convenience and reference only and are not intended to define the scope of any provision herein.
- 1.4 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, contents or description of any task, deliverable, product, service, or other work between this Contract, Statement of Work, and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to the Contract, Exhibits A and Exhibits B through U, and any attachments.
- 1.5 The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:
 - A. "Approved Resource Family Home" – means a family residence certified by a FFA and issued a Certificate of Approval by a FFA in accordance with the California Department of Social Services Community Care Licensing (CDSS CCL) Division, Title 22, Chapter 8.8 Foster Family Agencies, Article 9, Subchapter 1, Articles 1-7.
 - B. "Chief Executive Office" or "Chief Executive Officer" – means the office/position established to assist the Board of Supervisors in handling administrative details of the COUNTY.
 - C. "Contract" – means an agreement executed between COUNTY and CONTRACTOR. It sets forth the terms and conditions for the issuance and performance of Exhibit A, Statement of Work.
 - D. "COUNTY" – means the County of Los Angeles and includes the Department of Children and Family Services.

- E. "COUNTY's Board of Supervisors" – means the governing body of the County of Los Angeles.
- F. "COUNTY Program Manager" – means COUNTY representative responsible for daily management of contracted program operation and administering this Contract, consulting on policy, providing technical assistance and overall coordination and implementation of this Contract between the CONTRACTOR and COUNTY. (See Exhibit J, COUNTY's Administration)
- G. "Day" or "Days" – means, whether singular or plural, whether with initial letter capitalized or not, calendar day(s) and not business or workday(s), unless otherwise specifically stated.
- H. "DCFS" – means COUNTY's Department of Children and Family Services.
- I. "Director" – means COUNTY's Director of the Department of Children and Family Services or his or her authorized designee.
- J. "Fiscal Year(s)" – means the 12-month period beginning July 1st and ending the following June 30th.
- K. "Maximum Contract Sum" – means the total amount to be paid under this contract.
- L. "Non-profit CONTRACTOR" – means the corporation that has entered into a contract with the COUNTY to perform or execute the work covered by Exhibit A, Statement of Work.
- M. "Resource Family" – means an individual or individuals who have been approved by a FFA for placement of children in their home under the provisions of the Resource Family Approval process as described in Chapter 8.8 Foster Family Agencies, Article 9, Subchapter 1, Articles 1-7.
- N. "Resource Family Parent" – means the adult(s) residing in the home approved by a FFA to provide care and supervision to children.
- O. "Statement of Work" – means the work to be performed by CONTRACTOR listed in Exhibit A.
- P. "Subcontract" – means a contract by which a third party agrees to provide services or materials necessary to fulfill an original contract.

2.0 TERM

- 2.1 The term of this Contract shall be effective July 1, 2027 or the date of execution by the Chief Probation Officer and the Director of the Department of Children and Family Services, whichever is later through June 30, 2030, unless terminated earlier, in whole or in part, as provided in this Contract. The initial term of the contract shall be July 1, 2027 through June 30, 2028. The second term shall be July 1, 2028 through June 30, 2029. The third term shall be July 1, 2029 through June 30, 2030.
- 2.2 The COUNTY shall have the sole option to extend the Contract term for up to two (2) additional 12-month period effective July 1, 2030 through June 30, 2032. The fourth term shall be July 1, 2030 through June 30, 2031. The fifth term shall be July 1, 2031 through June 30, 2032.
- 2.3 Each such option and extension shall be exercised at the discretion of the Director of DCFS and the Chief Probation Officer; and extended by the Director of DCFS by written notice to the CONTRACTOR thirty (30) days prior to the expiration of the Contract term, provided approval from the County Counsel is obtained prior to any such extension.

3.0 CONTRACT SUM

- 3.1 The Maximum Contract Sum for the initial contract period of July 1, 2027 through June 30, 2028, is \$47,520. The Maximum Contract Sum for each of the two (2) 12-month extension options, if exercised, as provided in Section 2.2, is \$47,520 and for the two (2) additional 12-month periods of July 1, 2030 through June 30, 2031, and July 1, 2031 through June 30, 2032, if exercised, as provided in Section 2.2, is \$95,040.
 - 3.1.1 COUNTY and CONTRACTOR AGREE that CONTRACTOR shall not exceed the Maximum Contract Sum in any case whatsoever, except as amended to increase capacity up to a maximum of six Foster Family Agency (FFA) Emergency Shelter Care (ESC) beds.
 - 3.1.1.1 If CDSS approves additional FFA-ESC beds, beyond six (6) beds per CONTRACTOR, the County may amend the contracts beyond six (6) beds up to a maximum of twelve (12) beds per Contractor.
- 3.2 COUNTY and CONTRACTOR agree that this is a firm-fixed-priced Contract not to exceed the Maximum Contract Sum. During the term of this Contract, COUNTY shall compensate CONTRACTOR, as specified in Exhibit A, FFA-ESC Capacity Agreement, pursuant to Exhibit A-7, Pricing Schedule, for the services set forth in Exhibit A, Statement of Work, in accordance with Part I, Section 5.0, Invoices and Payments, of this Contract.

- 3.3 CONTRACTOR shall have no claim against COUNTY for, nor be entitled to, payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein.
- 3.4 CONTRACTOR shall have no claim against COUNTY for, nor be entitled to payment of any money or reimbursement, of any kind whatsoever, for any service provided by CONTRACTOR after the expiration or other termination of this Contract. Should CONTRACTOR receive any such payment, CONTRACTOR shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/termination of this Contract shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration or other termination of this Contract.
- 3.5 CONTRACTOR shall maintain a system of record-keeping that will allow CONTRACTOR to determine when it has incurred 75 percent of the total contract authorization under this Contract. Upon occurrence of this event, CONTRACTOR shall send written notification to the COUNTY at the address herein provided in Exhibit J, COUNTY's Administration.
- 3.6 CONTRACTOR's budget is attached hereto and incorporated by reference herein as Exhibit B, Line Item Budget herein referred to as "Budget." The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. CONTRACTOR represents and warrants that the budget is true and correct in all respects, and shall deliver services in accordance with the Budget. In the event of a change in the Maximum Contract Sum, or a reallocation of the Budget, or a material, change to the scope of work, CONTRACTOR shall amend the Budget consistent with any changes and submit the Budget to the COUNTY Program Manager for approval.
- 3.7 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Contract. Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered.

4.0 INSURANCE REQUIREMENTS

4.1 General Insurance Requirements

Without limiting CONTRACTOR's and COUNTY's mutual indemnification, and during the term of this Contract, CONTRACTOR shall provide and

maintain, and shall require of all of its Subcontractors (except as noted in Part I, Section 4.0 Insurance Requirements, Sub-section 4.2) to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to any other insurance or self-insurance programs maintained by COUNTY, with respect to liability resulting from or connected to CONTRACTOR's acts or omissions, and such coverage shall be provided and maintained at CONTRACTOR's own expense.

4.1.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be emailed to:

ContractorInsurance@dcfs.lacounty.gov and the Contract Analyst.

The subject of the e-mail shall read as follows:

AGENCY NAME _ PROGRAM NAME _ CERTIFICATE OF INSURANCE

Hard copies of the Insurance Certificate(s) will no longer be required.

Prior to commencing Services under this Contract, such certificates or other evidence shall:

4.1.1.1 Specifically identify this Contract.

4.1.1.2 Clearly evidence all coverages required in this Contract.

4.1.1.3 Contain a provision that COUNTY shall receive a written notice of cancellation or any change in required insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to COUNTY at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in required insurance may constitute a material breach of the Contract, in the sole discretion of the COUNTY, upon which COUNTY may suspend or terminate this Contract.

4.1.1.4 Include copies of the additional insured endorsement to the CONTRACTOR's general liability and sexual misconduct liability coverage, adding the County, its Special Districts, elected and appointed officers, employees, agents and volunteers as insured for all activities arising from this Contract. The County may, at its sole discretion, suspend the requirement for an additional insured endorsement

pertaining to CONTRACTOR's sexual misconduct liability coverage for the current term if the CONTRACTOR demonstrates that CONTRACTOR is unable to purchase an additional insured endorsement to the sexual misconduct liability coverage at reasonable market rates for the current contract term.

4.1.1.5 Waiver of Subrogation: To the fullest extent permitted by law, the CONTRACTOR hereby waives its rights and its insurer(s)' rights of recovery against COUNTY under all the Required Insurance for any loss arising from or relating to this Contract. The CONTRACTOR shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.

4.1.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY. Such approval will not be unreasonably withheld.

4.1.3 Failure to Maintain Insurance: CONTRACTOR's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which COUNTY immediately may withhold payments due to CONTRACTOR, or suspend or terminate this Contract. COUNTY at its sole discretion may obtain damages from CONTRACTOR resulting from said breach. Alternatively, the COUNTY may, upon notice to the Contractor, purchase the Required Insurance, deduct the premium cost from sums due to CONTRACTOR or pursue CONTRACTOR reimbursement.

4.1.4 Notification of Incidents, Claims or Suits: CONTRACTOR shall report to COUNTY:

4.1.4.1 Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against CONTRACTOR or COUNTY. Such report shall be made in writing within 24 hours of occurrence.

4.1.4.2 Any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Contract.

4.1.4.3 Any injury to a CONTRACTOR employee, which occurs on COUNTY property. This report shall be submitted on a

COUNTY "Non-Employee Injury Report" to COUNTY Contract Manager. Any and all claims, lawsuits and involvements in litigation, which may directly or indirectly affect their operation, service delivery, or care for children, youth, and NMDs, within 30 days.

4.1.4.4 Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Contract.

4.1.5 Compensation for COUNTY Costs: In the event that CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all costs incurred by COUNTY.

4.1.6 Insurance Coverage Requirements for Subcontractors: CONTRACTOR shall ensure any and all Subcontractors performing services under this Contract, consistent with Part I, Sub-section 4.2 Insurance Coverage Requirements, Sub-section 4.2.1, meet the insurance requirements of this Contract by either:

4.1.6.1 CONTRACTOR providing evidence of insurance covering the activities of Subcontractors, or

4.1.6.2 CONTRACTOR providing evidence submitted by Subcontractors evidencing that Subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of Subcontractor insurance coverage at any time.

4.2 Insurance Coverage Requirements

4.2.1 General Liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

Note: General Aggregate limits for Subcontractors shall be not less than \$1 million.

4.2.2 Automobile Liability insurance (written on ISO policy form CA 00 01

or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each accident. Such insurance shall include coverage for all “owned,” “hired” and “non-owned” vehicles, or coverage for “any auto.”

- 4.2.3 Workers’ Compensation and Employer’s Liability insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible.

In all cases, the above insurance also shall include Employers’ Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease – policy limit:	\$1 million
Disease – each employee:	\$1 million

- 4.2.4 Professional Liability: Insurance covering Contractor’s liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement’s expiration, termination or cancellation.

- 4.2.5 For FFAs on COUNTY owned property:

- 4.2.5.1 Property Coverage: Such an insurance shall be endorsed naming the COUNTY of Los Angeles as loss payee, provide deductibles of no greater than 5% of the property value.

- 4.2.6 Sexual Misconduct Liability: Insurance covering actual or alleged claims for sexual misconduct or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of sexual nature.

- 4.3 Cyber (Privacy/Network Security) Liability:

The CONTRACTOR shall secure and maintain cyber liability insurance coverage with limits of \$2 million per occurrence and \$3 million in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from

the loss or disclosure of COUNTY Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and data/information loss and business interruption; any other liability or risk that arises out of the Contract. The CONTRACTOR shall add the COUNTY as an additional insured to its cyber liability insurance policy and provide to the COUNTY certificates of insurance evidencing the foregoing upon the COUNTY's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the CONTRACTOR's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

5.0 INVOICES AND PAYMENTS

- 5.1 For work performed in accordance with the terms of this Contract and Statement of Work, and as determined by COUNTY, CONTRACTOR shall invoice COUNTY monthly in arrears at the rate of compensation specified in the Exhibit A-7, Pricing Schedule, as supported by Exhibit B, Line Item Budget. CONTRACTOR shall be paid only for the work performed as specified in the Contract and any amendments thereto.
- 5.2 CONTRACTOR shall submit an invoice in arrears for services rendered in the previous month. CONTRACTOR shall make its best efforts to submit all invoices within 30 days of the last day of the month in which the service was rendered. Any invoice submitted more than 30 days after the last day of the month in which the services were rendered shall constitute a "past due invoice." Past due invoices shall be submitted no later than 60 days after the last day of the month in which the services were rendered. Notwithstanding any other provision of this Contract, CONTRACTOR and COUNTY agree that the COUNTY shall have no obligation whatsoever to pay any past due invoices which are submitted more than 60 days after the last day of the month in which the services were rendered. COUNTY may, in its sole discretion, pay some or all of a past due invoice which CONTRACTOR has submitted more than 60 days after the last day of the month in which services were rendered provided sufficient funds remain available under this Contract. These same time frames shall also apply to the submission of the CONTRACTOR's final invoice.
- 5.3 CONTRACTOR shall submit the original monthly invoice to the DCFS Accounting Services – Contract Accounting Section, and one copy to the COUNTY Program Manager for review and approval, as follows:

County of Los Angeles
Department of Children and Family Services

Attention: Accounting Services, Contract Accounting Section
510 S. Vermont Avenue, 14th Floor
Los Angeles, CA 90020

And a duplicate copy of the invoices to:

County of Los Angeles,
Department of Children and Family Services
Attention: Luz Moran, County Program Manager
9320 Telstar Avenue, Suite 216
El Monte, CA 91731

- 5.4 Payment to CONTRACTOR will be made in arrears on a monthly basis for services performed, provided that the CONTRACTOR is not in default under any provision of this Contract. COUNTY has no obligation to pay for any work except those services expressly authorized by this Contract.
- 5.5 In compliance with Internal Revenue Service (IRS) requirements, CONTRACTOR shall provide CONTRACTOR's Tax Identification Number. Furthermore, the Tax Identification Number is necessary for processing payment, as required by the County Auditor-Controller.
- 5.5.1 CONTRACTOR will report the bed hold stipend paid to its Resource Family Parents as taxable income to the IRC on 1099s.
- 5.6 CONTRACTOR is responsible for the accuracy of invoices submitted to COUNTY. Further, it is the responsibility of CONTRACTOR to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by CONTRACTOR and to notify COUNTY of any overpayments received by CONTRACTOR. Any overpayment received by CONTRACTOR, as determined by COUNTY Program Manager, or designee, shall be returned to COUNTY by CONTRACTOR within 30 days of receiving notification of such overpayment from the COUNTY, or may be set off at COUNTY's election against future payments due CONTRACTOR. Notwithstanding any other provision of this Contract, CONTRACTOR shall return to COUNTY any and all payments, which exceed the Maximum Contract Sum. Furthermore, CONTRACTOR shall return said payments within 30 days of receiving notification of overpayment from the COUNTY or immediately upon discovering such overpayment, whichever date is earlier.
- 5.7 CONTRACTOR shall not be paid for expenditures beyond the Maximum Contract Sum, and CONTRACTOR agrees that COUNTY has no obligation, whatsoever, to pay for any expenditures by CONTRACTOR that exceed the Maximum Contract Sum.

- 5.8 Suspension and withholding of payment. In addition to other remedies, COUNTY reserves the right to suspend or withhold all payments to CONTRACTOR if required reports are not provided to COUNTY on a timely basis; if there are continuing deficiencies in CONTRACTOR's report, record keeping or invoicing requirements; or if CONTRACTOR's performance of the work is not adequately evidenced or performed.
- 5.9 Method of Payment and Required Information
- 5.9.1 The County may, at its sole discretion, determine the most appropriate, efficient, secure, and timely form of payment for any amounts due for goods or services provided under an agreement or contract with the County. Proposers/Contractors further agree that the default form of payment shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).
- 5.9.2 Upon contract award and at the request of the A-C or the contracting department, the Contractor shall provide the A-C with electronic banking and related information for the Contractor or any other payee that the Contractor designates to receive payment pursuant to this agreement or contract. Such electronic banking and related information includes, but is not limited to: bank account number and routing number, legal business name, valid taxpayer identification number (TIN), a working e-mail address capable of receiving remittance advices and other payment related correspondence, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.9.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments. Upon contract award or at any time during the duration of the agreement or contract, a contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests.

6.0 CONFIDENTIALITY

- 6.1 CONTRACTOR shall maintain the confidentiality of all records and information in accordance with all applicable federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and

procedures relating to confidentiality, including, without limitation, COUNTY policies concerning information technology security and the protection of confidential records and information.

- 6.2 CONTRACTOR shall inform all of its officers, employees, agents and sub-contractors providing services here under of the confidentiality provisions, of this contract.
- 6.3 CONTRACTOR shall sign and adhere to the provisions of Exhibit D, Contractor Acknowledgement and Confidentiality Agreement.
- 6.4 CONTRACTOR shall notify COUNTY of any attempt to obtain confidential records through the legal process.
- 6.5 CONTRACTOR agrees to notify COUNTY in writing within 24 hours of any actual or suspected misuse, misappropriation, unauthorized disclosure of, or unauthorized access to Confidential Information that may come to CONTRACTOR's attention, and that includes unauthorized access to CONTRACTOR's computer or computers (including those of any Subcontractor involved in the Relationship) containing CONTRACTOR's or COUNTY's Confidential Information related to this Contract, including names and information of referred clients. Unauthorized access may include a virus or worm that penetrates and gains access to a computer and places a back door or keystroke logger on it, or a directed hack/crack that gains access to and some control over a computer.
- 6.6 CONTRACTOR shall comply with all applicable laws pertaining to confidentiality. This shall include, but is not limited to, the confidentiality provisions of Section 827 and Section 10850 of the California Welfare and Institutions Code and MPP Division 19.

7.0 CONFIDENTIALITY REQUIREMENTS FOR PLACEMENT CONTRACTS

- 7.1 Pursuant to applicable Welfare and Institutions Code sections, including but not limited to sections 5328 through 5330, 10850 and 827, all ESC Children's records are confidential. Portions of these confidential records, pertaining to the treatment or supervision of the child, shall be shared with CONTRACTOR pursuant to the DCFS policies in effect and applicable State and federal law. The Juvenile Court has exclusive jurisdiction over juvenile records, documents and case information as well as the responsibility to maintain their confidentiality and the confidentiality of dependent children. Pursuant to Superior Court of California County of Los Angeles, Chapter 7.3, Juvenile Division Rules, a member of the public or media representative must obtain a court order from the Presiding Judge of the Juvenile Court prior to contacting a child if (1) the person seeks to interview, photograph, videotape or voice record a child, who that person

knows, or has reason to know, is under juvenile court jurisdiction and has been removed from the physical custody of the parent or legal guardian, and (2) confidential information regarding the child's case or dependency or wardship status may or will be disclosed as a result. CONTRACTOR agrees to maintain the confidentiality of its records and conform to existing orders of the Juvenile Court and policies promulgated by State and federal laws and COUNTY policies regarding the FFA-ESC Child's confidentiality.

7.1.1 CONTRACTOR shall maintain the confidentiality of all records, including but not limited to COUNTY records and client records, in accordance with all applicable federal, State and local laws, regulations, ordinances and directives regarding confidentiality.

8.0 SUBCONTRACTING

8.1 No performance of this Contract or any portion thereof may be subcontracted by CONTRACTOR. Any attempt by CONTRACTOR to subcontract performance of any of the terms of this Contract, in whole or in part, shall constitute a breach of the terms of this Contract. In an event of such breach, this Contract may be terminated.

9.0 INDEPENDENT CONTRACTOR REQUIREMENT AND STATUS

CONTRACTOR is required to report payments to Resource Family Parents for bed hold and 24/7 Intake services on 1099s.

9.1 This Contract is by and between the COUNTY and the CONTRACTOR and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association, as between COUNTY and the CONTRACTOR. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

9.2 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The COUNTY shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, or local taxes, or other compensation, benefits or taxes for any personnel provided by or on behalf of the CONTRACTOR.

9.3 CONTRACTOR understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the CONTRACTOR and not employees of the COUNTY. The CONTRACTOR shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a

result of any injuries arising from or connected with any work performed by or on behalf of the CONTRACTOR pursuant to this Contract.

- 9.4 CONTRACTOR shall inform all of its officers, employees, agents, and Resource Families providing services and care hereunder of the confidentiality provisions of this Contract. All employees and Resource Family Parents of CONTRACTOR who have access to confidential records and data must sign and adhere to the attached "Contractor Employee Acknowledgment and Confidentiality Agreement" (Exhibit D), and "Resource Family Parent Acknowledgment and Confidentiality Agreement" (Exhibit D-3). CONTRACTOR shall cause each non-employee performing services covered by this Contract to sign and adhere to "Contractor Non-Employee Acknowledgment and Confidentiality Agreement" (Exhibit D-2). CONTRACTOR shall maintain in its files copies of such executed Agreements.

10.0 TERMINATION OF CONTRACT BY CONTRACTOR FOR CONVENIENCE

- 10.1 This Contract may be terminated when such action is deemed by CONTRACTOR to be in its best interest, as it is no longer able to or willing to continue providing services under this Contract. Written notice of termination of this Contract should be delivered to COUNTY pursuant to Section 33.0, Notices, specifying the date upon which the termination would be effective. Such termination becomes effective upon DCFS Director's authorization delegated by the Board. The effective date of such termination shall be no less than thirty (30) days after the notice is sent.

11.0 BACKGROUND & SECURITY INVESTIGATIONS

- 11.1 For the safety and welfare of the children to be served under this Contract, CONTRACTOR shall, as permitted by law, ensure that its staff, employees, independent contractors, volunteers or subcontractors who may come in contact with children in the course of their work, undergo and pass a background investigation to the satisfaction of COUNTY as a condition of beginning and continuing to work under this contract. Such background investigation may include, but shall not be limited to criminal conviction information obtained through fingerprints submitted to the California Department of Justice. The fees associated with the background investigation shall be at the expense of the CONTRACTOR, regardless if the member of CONTRACTOR's staff passes or fails the backgrounds investigation.
- 11.2 If a member of CONTRACTOR's staff does not pass the background investigation, COUNTY may request that the member of CONTRACTOR's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. COUNTY will not provide to

CONTRACTOR or to CONTRACTOR's staff any information obtained through the COUNTY's background investigation.

- 11.3 Disqualification of any member of CONTRACTOR's staff pursuant to this Sub-section shall not relieve CONTRACTOR of its obligation to complete all work in accordance with the terms and conditions of this Contract.
- 11.4 CONTRACTOR shall immediately notify COUNTY of any arrest or subsequent conviction, other than for minor traffic offenses, of any employee, independent contractor, volunteer staff or subcontractor who may come in contact with children while providing services under this Contract when such information becomes known to CONTRACTOR.
- 11.5 CONTRACTOR agrees not to engage or continue to engage the services of any person convicted of any crime involving harm to children, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to the offenses specified in Health and Safety Code, Section 11590 (offenses requiring registration as a controlled substance offender) and those crimes listed in the Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

PART II: STANDARD TERMS AND CONDITIONS

1.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

1.1 CONTRACTOR's Program Director

1.1.1 CONTRACTOR's Program Director is designated in Exhibit I, CONTRACTOR's Administration. CONTRACTOR shall notify COUNTY in writing of any change in the name or address of the CONTRACTOR's Program Director.

1.1.2 CONTRACTOR's Program Director shall be responsible for CONTRACTOR's day-to-day activities as related to this Contract and shall coordinate with COUNTY Program Manager on a regular basis.

1.2 Approval of CONTRACTOR's Staff

COUNTY has the absolute right to approve or disapprove all of CONTRACTOR's staff performing work hereunder and any proposed changes in CONTRACTOR's staff, including, but not limited to, CONTRACTOR's Program Director.

2.0 ADMINISTRATION OF CONTRACT – COUNTY

A listing of all COUNTY Administration referenced in the following Sub-sections is designated in Exhibit J, COUNTY's Administration. The COUNTY shall notify the CONTRACTOR in writing of any change in the names or addresses shown.

2.1 COUNTY Program Manager

The responsibilities of the COUNTY Program Manager include:

- ensuring that the objectives of this Contract are met;
- providing direction to CONTRACTOR in the areas relating to COUNTY policy, information requirements, and procedural requirements
- meeting with CONTRACTOR's Program Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of CONTRACTOR.

- 2.2 The COUNTY Program Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate COUNTY in any respect whatsoever.
- 2.3 The COUNTY Program Manager is responsible for overseeing the day-to-day administration of this Contract.

3.0 ASSIGNMENT AND DELEGATION

- 3.1 CONTRACTOR shall not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of COUNTY, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent shall be null and void. For purposes of this section, COUNTY consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the COUNTY to any approved delegate or assignee on any claim under this Contract shall be deductible, at COUNTY's sole discretion, against the claims which the CONTRACTOR may have against the COUNTY.
- 3.2 Shareholders, partners, members, or other equity holders of CONTRACTOR may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment or divestment is effected in such a way as to give majority control of CONTRACTOR to any person(s), corporation, partnership or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of COUNTY in accordance with applicable provisions of this Contract.
- 3.3 Any assumption, assignment, delegation or takeover of any of the CONTRACTOR's duties, responsibilities, obligations or performance of same by any person or entity other than the CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without COUNTY's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by CONTRACTOR.
- 3.4 CONTRACTOR shall notify the COUNTY of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the CONTRACTOR is restricted from legally notifying the COUNTY of pending acquisitions/mergers, then it should notify the COUNTY of the actual acquisitions/mergers as soon as the law allows and provide to the COUNTY the

legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.

4.0 AUTHORIZATION WARRANTY

The CONTRACTOR represents and warrants that the person executing this Contract for the CONTRACTOR is an authorized agent who has actual authority to bind the CONTRACTOR to each and every term, condition and obligation of this Contract and that all requirements of the CONTRACTOR have been fulfilled to provide such actual authority.

5.0 BUDGET REDUCTION

In the event that the County's Board of Supervisors adopts, in any fiscal year, a COUNTY budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY Contracts, the COUNTY reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the CONTRACTOR under this Contract shall also be reduced correspondingly. The COUNTY's notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the CONTRACTOR shall continue to provide all of the services set forth in this Contract.

6.0 CHANGES AND AMENDMENTS

- 6.1 County reserves the right to change any portion of the work required under this Contract, or make amendments to such other terms and conditions, as may become necessary. Any such revision shall be accomplished as set forth in this Section 6.0.
- 6.2 Except as provided in this Section, 6.0, for any change which affects the scope of work, term of Contract, Contract Sum, payments, or any terms or conditions included under this Contract, an amendment shall be prepared by DCFS and executed by the Contractor and County's Board of Supervisors or the Director in the event the Director has the delegated authority to execute. Approval of County Counsel must be obtained for any changes which affect the scope of work.
- 6.3 COUNTY's Board of Supervisors or Chief Executive Officer or designee may require the addition or change of certain terms and conditions in the Contract during the term of this Contract. The COUNTY reserves the right to add or change such provisions as required by the COUNTY's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the

Contract shall be prepared by DCFS and executed by the CONTRACTOR and by the Director of DCFS.

6.4 For any material change to the Contract not requested by CONTRACTOR, COUNTY shall give CONTRACTOR 30 days prior written notice, delivered by email, of its intent to make an amendment. Any significant cost impact associated with such an amendment shall be addressed in developing the amendment. A significant cost impact, as used in this section, is defined as a cumulative cost increase of \$1,200 annually. Contract changes shall be in writing and accomplished in the following manner:

6.4.1 Exhibits A, B through B-1, C, D through D-3, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, and U may be changed unilaterally by COUNTY to reflect any changes in applicable federal, state or local laws, regulations, ordinances, court orders, court rules, or in COUNTY policies or to incorporate changes requested by CONTRACTOR or COUNTY to bed hold capacity type and number. If the change will result in a significant cost impact an amendment will be prepared by COUNTY and executed by CONTRACTOR. If the change will result in no significant cost increase, the amendment will be effective upon delivery of the replacement exhibit by email to the CONTRACTOR's email address. CONTRACTOR shall be responsible for monitoring changes to any applicable laws, ordinances, regulations, and court rules impacting this Contract. CONTRACTOR shall at all times remain in compliance with all such laws, ordinances, regulations, and court rules whether or not COUNTY has delivered a replacement exhibit.

6.5 For any other changes which do not have a significant cost impact, affect the scope of work, period of performance, payments, or which does not materially alter any term or condition included in this Contract or for any change in CONTRACTOR's Plan of Operation and Program Statement a change notice shall be prepared by COUNTY, and executed by CONTRACTOR and Program Directors or designee.

For any change not covered by Sub-sections 6.4 or 6.5, an amendment to this Contract shall be prepared, by COUNTY, signed by CONTRACTOR, and executed by COUNTY as authorized by the thereafter submitted to COUNTY's Board of Supervisors for consideration and, if approved, execution.

6.6 For changes in Contractor's name or address that are not related to a merger or acquisition, change shall be completed upon written notification and request from Contractor to County, and confirmed by letter from County to Contractor.

- 6.7 The DCFS Director may sign an Amendment to this Contract without further action by the Board of Supervisors only under the following conditions as applicable:
- 6.7.1 The amendment shall be in compliance with applicable County, State and federal regulations; and
 - 6.7.2 The Board of Supervisors has appropriated sufficient funds in COUNTY's budget and delegated authority to execute amendment, and
 - 6.7.3 The Amendment is for a decrease, or an increase of not more than 10 percent correlated to an increase or a decrease in the number of units of service, of the original Maximum Contract Sum.

7.0 REPORTING SUSPECTED CHILD ABUSE

- 7.1 CONTRACTOR agrees that the safety of the Placed Child will always be the first priority. To ensure the safety of the Placed Children, CONTRACTOR will train Resource Family Parents to **immediately**, upon discovery, notify the Child Protection Hotline (CAHL), the DCFS Quality Assurance Division, and CCLD, whenever CONTRACTOR reasonably suspects that a Placed Child has been a victim of abuse or is in danger of future abuse. CONTRACTOR will remain with the Placed Child if imminent risk is present. The CONTRACTOR shall not and Resource Family Parents will be trained not to investigate allegations of child abuse and establish disposition prior to the investigation by the DCFS Quality Assurance Division and CCLD. If the CONTRACTOR disapproves an Approved Resource Family Home at the request of the Resource Family Parent during an investigation and prior to disposition CONTRACTOR shall note the investigative status on the Foster Family Agencies Notification of Action Taken form [LIC #197].
- 7.2 CONTRACTOR shall ensure that all known or suspected instances of child abuse are reported to a child protection agency as defined in Section 11164, et. Seq. of the Penal Code. This responsibility shall include:
- 7.2.1 A requirement that all employees, consultants, or agents performing Services under this Contract who are required by Penal Code, Section 11166(a), to report child abuse, sign a statement that he or she knows of the reporting requirements and will comply with them.
 - 7.2.2 To the extent possible and reasonable, CONTRACTOR will educate employees, consultants or agents who are not mandated reporters of child abuse, as defined in California Penal Code Section 11166 et seq, on procedures for reporting any reasonable suspicion of child abuse.

7.2.3 The assurance that all employees of CONTRACTOR and Subcontractors understand that the safety of the Placed Child is always the first priority.

8.0 CHILD SUPPORT COMPLIANCE PROGRAM

8.1 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.1.1 The CONTRACTOR acknowledges that the COUNTY has established a goal of ensuring that all individuals who benefit financially from the COUNTY through Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the COUNTY and its taxpayers.

8.1.2 As required by the COUNTY's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the CONTRACTOR's duty under this Contract to comply with all applicable provisions of law, the CONTRACTOR warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.2 Termination for Breach of Warranty to Maintain Child Support Compliance

Failure of the CONTRACTOR to maintain compliance with the requirements set forth in Sub-Section 8.1, "Contractor's Warranty of Adherence to County's Child Support Compliance Program," shall constitute default under this Contract. Without limiting the rights and remedies available to the COUNTY under any other provision of this Contract, failure of the CONTRACTOR to cure such default within 90 calendar days of written notice shall be grounds upon which the COUNTY may terminate this Contract pursuant to Part II, Section 40.0, "Termination for CONTRACTOR's Default," and pursue debarment of the CONTRACTOR, pursuant to County Code Chapter 2.202.

9.0 GRIEVANCES

CONTRACTOR shall establish written procedures to resolve grievances by Resource Parents or staff of CONTRACTOR.

10.0 COMPLIANCE WITH APPLICABLE LAWS

- 10.1 CONTRACTOR shall comply with all applicable federal, State, and local laws, rules, regulations, ordinances, and directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference. This includes compliance with mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan (Title 24, California Administrative Code) and compliance with Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15). Insofar as permits or licenses are required for the prescribed services or any construction authorized herein, the same must be obtained from the regulatory agency having jurisdiction thereover.
- 10.1.1 CONTRACTOR acknowledges that this Contract will be funded, in part, with federal funds; therefore, CONTRACTOR agrees that it shall comply with all applicable federal laws and regulations pertaining to such federal funding. Said federal laws and regulations include, but are not limited to, 45 CFR Section 92.36, et seq.
- 10.1.2 For contract over \$10,000, CONTRACTOR agrees to comply fully with the terms of Executive Order 11246, entitled Equal Employment Opportunity as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR Part 60).
- 10.2 Failure by CONTRACTOR to comply with such laws and regulations shall be a material breach of this Contract and may result in termination of this Contract.
- 10.3 CONTRACTOR shall indemnify, defend, and hold harmless COUNTY, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by CONTRACTOR, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by COUNTY in its sole judgment. Any legal defense pursuant to CONTRACTOR's indemnification obligations under this section 10.0 shall be conducted by CONTRACTOR and performed by counsel selected by CONTRACTOR and approved by COUNTY. Notwithstanding the preceding sentence, COUNTY shall have the right to participate in any such defense at its sole cost and expense, except that in the event CONTRACTOR fails to provide COUNTY with a full and adequate defense, as determined by COUNTY in its sole judgment, COUNTY shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from CONTRACTOR for

all such costs and expenses incurred by COUNTY in doing so. CONTRACTOR shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of COUNTY without COUNTY's prior written approval.

11.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONTRACTOR hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program or activity supported by this Contract. CONTRACTOR shall comply with Exhibit C, Contractor's Equal Employment Opportunity (EEO) Certification.

12.0 COMPLIANCE WITH JURY SERVICE PROGRAM

This Contract is subject to the provisions of the COUNTY's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached hereto as Exhibit G, and incorporated by reference into and made a part of this Contract.

12.1 Written Employee Jury Service Policy

12.1.1 Unless CONTRACTOR has demonstrated to the COUNTY's satisfaction either that CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.

12.1.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full-time employee of CONTRACTOR. "Full-time" means 40 hours or more worked per week,

or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any Subcontractor to perform services for the COUNTY under this Contract, the Subcontractor shall also be subject to the provisions of this Section. The provisions of this Sub-section shall be inserted into any such subcontract contract and a copy of the Jury Service Program shall be attached to the agreement.

12.1.3 If CONTRACTOR is not required to comply with the Jury Service Program when the Contract commences, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "Contractor" or if CONTRACTOR no longer qualifies for an exception to the Jury Service Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the term of this Contract and at its sole discretion, that CONTRACTOR demonstrate to the COUNTY's satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "Contractor" or that CONTRACTOR continues to qualify for an exception to the Program.

12.1.4 CONTRACTOR's violation of this Section of this Contract may constitute a material breach of this Contract. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contract or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

13.0 CONFLICT OF INTEREST

13.1 No COUNTY employee whose position in COUNTY enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by CONTRACTOR or have any other direct or indirect financial interest in this Contract. No officer or employee of CONTRACTOR who may financially benefit from the performance of work hereunder shall in any way participate in COUNTY's approval, or ongoing evaluation of such work, or in any way attempt to unlawfully influence COUNTY's approval or ongoing evaluation of such work.

13.2 CONTRACTOR shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Contract. CONTRACTOR warrants that it is not now aware of any facts that create a conflict of interest. If CONTRACTOR hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to COUNTY. Full written disclosure shall include, but is not limited to, identification of all persons implicated and complete description of all relevant circumstances. Failure to comply with the provisions of this Section shall be a material breach of this Contract.

14.0 CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT

14.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract, CONTRACTOR shall give consideration for any such employment openings to participants in the COUNTY's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet CONTRACTOR's minimum qualifications for the open position. For this purpose, consideration shall mean that the CONTRACTOR will interview qualified candidates. The COUNTY will refer GAIN/GROW participants, by job category, to CONTRACTOR. CONTRACTOR shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICE@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.

14.2 In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority.

15.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS OR ON REEMPLOYMENT LIST

Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, CONTRACTOR shall give **first consideration** for such employment openings to qualified permanent COUNTY employees who are targeted for layoff or qualified former COUNTY employees who are on a reemployment list during the life of this Contract.

16.0 CONTRACT ACCOUNTING AND FINANCIAL REPORTING

16.1 CONTRACTOR shall establish and maintain an accounting system including internal controls and financial reporting, which shall meet the minimum

requirements for Contract Accounting as described in Exhibit E, Auditor-Controller Contract Accounting and Administration Handbook.

- 16.2 CONTRACTOR shall maintain supporting documentation for all accruals reported. Accruals which are not properly supported may be disallowed upon audit.

17.0 CONTRACTOR ALERT REPORTING DATABASE (CARD)

The COUNTY maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the COUNTY will exercise a contract term extension option.

18.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

- 18.1 A responsible contractor is one who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the COUNTY's policy to conduct business only with responsible contractors.
- 18.2 The CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of the CONTRACTOR on this or other contracts which indicates that the CONTRACTOR is not responsible, the COUNTY may, in addition to other remedies provided in the Contract, debar the CONTRACTOR from bidding or proposing on, or being awarded, or performing work on COUNTY contracts for a specified period of time, which generally will not exceed five years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the CONTRACTOR may have with the COUNTY.
- 18.3 The COUNTY may debar a Contractor if the Board of Supervisors, finds in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the COUNTY or a nonprofit corporation created by the COUNTY; (2) committed an act or omission which negatively reflects on the CONTRACTOR's quality, fitness or capacity to perform a contract with the COUNTY, any other public entity, or a nonprofit corporation created by the COUNTY, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.
- 18.4 If there is evidence that the CONTRACTOR may be subject to debarment, the Department will notify the CONTRACTOR in writing of the evidence, which is

the basis for the proposed debarment and will advise the CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.

- 18.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR or the CONTRACTOR's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the CONTRACTOR should be debarred, and if so, the appropriate length of time of the debarment. The CONTRACTOR and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 18.6 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 18.7 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the COUNTY.
- 18.8 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of the debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
 - 18.8.1 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present

its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

18.9 These terms shall also apply to Subcontractors of COUNTY Contractors.

18.10 A registry of Debarred Contractors for Los Angeles County, State and federal agencies may be obtained by going to the following websites:

- County: http://lacounty.info/doing_business/DebarmentList.htm
- State: <http://www.dir.ca.gov/dlse/debar.html>
- Federal: <http://www.epls.gov/epls/search.do?multiName=true>

19.0 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring CONTRACTORS to complete the certification in Exhibit K the County seeks to ensure that all COUNTY Contractors which receive or raise charitable contributions comply with California law in order to protect the COUNTY and its taxpayers. A contractor that receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both (County Code Chapter 2.202).

20.0 CONTRACTOR'S WORK

20.1 Pursuant to the provisions of this Contract, CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as more fully set forth in Exhibit A, Statement of Work.

20.2 If the CONTRACTOR provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the CONTRACTOR, and the CONTRACTOR shall have no claim whatsoever against the COUNTY.

21.0 COUNTY'S QUALITY ASSURANCE PLAN

The COUNTY or its agent will evaluate CONTRACTOR's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the CONTRACTOR's compliance with all contract terms and conditions and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include

improvement/corrective action measures taken by the COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, the COUNTY may terminate this Contract or impose other penalties as specified in this Contract.

22.0 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 22.1 CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals and businesses that benefit financially from COUNTY through Contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.
- 22.2 Unless CONTRACTOR qualifies for an exemption or exclusion, CONTRACTOR warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance, with Los Angeles County Code Chapter 2.206.
- 22.3 CONTRACTORS Certification of Compliance with the COUNTY's Defaulted Property Tax Reduction Program is incorporated as Exhibit M of this Contract.

23.0 DISPUTE RESOLUTION PROCEDURES

- 23.1 CONTRACTOR and COUNTY agree to act promptly and diligently to first mutually resolve any disputes, pursuant to procedures set forth in this Contract. All such disputes shall thereafter be subject to the provisions of this Section 23.0.
- 23.2 Nothing in this section herein prevents COUNTY or CONTRACTOR from seeking provisional remedies, such as injunction or extraordinary relief such as a writ.
- 23.3 CONTRACTOR shall retain all rights to appeal the COUNTY action through the filing of a claim pursuant to Los Angeles County Code, Title 4, Chapter 4.04, which pertains to all claims against the COUNTY for money or damages which are excepted by Section 905 of the Government Code from the provisions of Division 3.6 of the Government Code (Section 810 et seq.) and which are not governed by any other statutes or regulations expressly relating hereto.
- 23.4 As to any dispute arising out of or relating to this Contract, including the breach, termination or validity thereof, which has not been resolved by the filing of a claim pursuant to Sub-section 23.4 herein, or the California Tort Claims Act (Government Code Sections 810-996.6), CONTRACTOR and COUNTY hereby waive their respective right to trial by jury **(and instead agree to trial**

by a judge _____[please initial]) of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding or hearing brought by either CONTRACTOR against COUNTY or COUNTY against CONTRACTOR.

- 23.5 Nothing herein precludes the COUNTY and CONTRACTOR from mutually agreeing in writing to settle any disputes by binding arbitration or any other alternative dispute resolution procedure.
- 23.6 This provision shall not apply to third party claims brought by or on behalf of an individual, his/her heirs, assigns or successors-in-interest, based upon, or relating to, injuries allegedly sustained by that individual when he/she was a Placed Child.

24.0 EMPLOYMENT ELIGIBILITY VERIFICATION

- 24.1 CONTRACTOR warrants that it fully complies with all federal and State statutes and regulations regarding employment of aliens and others, and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in federal and State statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal and State statutes and regulations, including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain such documentation of all covered employees for the period prescribed by law.
- 24.2 CONTRACTOR shall indemnify, defend and hold harmless, the COUNTY, its agents, officers and employees from employer sanctions and any other liability which may be assessed against the CONTRACTOR or the COUNTY or both in connection with any alleged violation of federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

25.0 EVENTS OF DEFAULT

- 25.1 Default for Non-Performance

COUNTY may terminate the whole or any part of this Contract if either of the following circumstances exists:

- 25.1.1 CONTRACTOR has made a misrepresentation of any required element in the bid/proposal submitted in response to the Invitation for Bids/Request for Proposals, if any; or

25.1.2 CONTRACTOR fails to comply with or perform any provision of this Contract or fails to make progress so as to endanger performance of any term of this Contract.

25.1.3 Notice is given by CDSS that CONTRACTOR's RCL rate will be terminated. Actual termination of the rate is not required for default pursuant to this provision.

25.1.4 Notice is given by CDSS CCLD that CONTRACTOR's Group Home Facility license will be revoked.

25.2 Default for Insolvency

COUNTY may terminate this Contract for default for insolvency in the event of the occurrence of any of the following:

25.2.1 Insolvency of CONTRACTOR. CONTRACTOR shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has filed for bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Law or not;

25.2.2 The filing of a voluntary petition in bankruptcy;

25.2.3 The appointment of a Receiver or Trustee for CONTRACTOR;

25.2.4 The execution by CONTRACTOR of an assignment for the benefit of creditors.

25.3 Other Events of Default

Determination by the COUNTY, the State Fair Employment Commission, or the Federal Equal Employment Opportunity Commission of discrimination having been practiced by CONTRACTOR in violation of State or federal laws thereon.

26.0 FORMER FOSTER YOUTH CONSIDERATION

26.1 Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract to perform services set forth herein, CONTRACTOR shall give consideration (after COUNTY employees, and GAIN/GROW participants as described in Part II, Sections 17.0 and 16.0, respectively) for any such position(s) to qualified former foster youth. CONTRACTOR shall notify COUNTY of any new or vacant positions(s) within CONTRACTOR's firm by sending via USPS mail or email to:

youthds@dcfs.lacounty.gov, a list denoting any position(s) for which hiring is anticipated to:

County of Los Angeles
Department of Children and Family Services
Attention: Division Chief, Youth Development Services Division
3530 Wilshire Blvd., Suite 400
Los Angeles, CA 90010
Email: youthds@dcfs.lacounty.gov

26.2 The notice sent by CONTRACTOR must indicate the position(s)/title(s) for vacant or new employment opportunity, description of same, requirements/qualifications for position(s), anticipated pay rate or salary schedule, the location where application(s)/requests for application(s) may be sent, final date of acceptance for applications, and any special circumstances relevant to the hiring procedure for said position(s).

26.3 CONTRACTOR is exempt from the provisions of this Section if it is a governmental entity.

27.0 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The CONTRACTOR agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

28.0 INDEMNIFICATION

CONTRACTOR shall indemnify, defend and hold harmless the COUNTY, its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from or connected with CONTRACTOR's acts or omissions arising from or relating to this Contract.

29.0 NON-DISCRIMINATION AND AFFIRMATIVE ACTION

29.1 CONTRACTOR certifies and agrees that all persons employed by it, its affiliates, subsidiaries or holding companies, are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable federal and State anti-discrimination laws and regulations.

- 29.2 CONTRACTOR shall certify to, and comply with, the provisions of Exhibit C, Contractor's Equal Employment Opportunity (EEO) Certification.
- 29.3 CONTRACTOR shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status or political affiliation, in compliance with all applicable federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 29.4 CONTRACTOR certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status or political affiliation.
- 29.5 CONTRACTOR certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program or activity supported by this Contract.
- 29.6 CONTRACTOR shall allow COUNTY representatives access to CONTRACTOR's employment records during regular business hours to verify compliance with the provisions of this section when so requested by COUNTY.
- 29.7 If the COUNTY finds that any of the above provisions have been violated, such violation shall constitute a material breach of contract upon which COUNTY may determine to terminate this Contract. While the COUNTY reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Opportunity Commission or the Federal Equal Employment Opportunity Commission that the CONTRACTOR has violated federal or State anti-discrimination laws or regulations shall constitute a finding by COUNTY that the CONTRACTOR has violated the anti-discrimination provisions of this Contract.
- 29.8 The parties agree that in the event the CONTRACTOR violates any of the anti-discrimination provisions of this Contract, the COUNTY shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

30.0 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with CONTRACTOR. This Contract shall not restrict DCFS from acquiring similar, equal or like goods or services from other entities or sources.

31.0 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give written notice thereof, including all relevant information with respect thereto, to the other party.

32.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

CONTRACTOR shall notify its employees, and shall require each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015, attached hereto as Exhibit F.

33.0 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be given in writing and shall be hand delivered with signed receipt or mailed by first-class or electronic mail, addressed to the parties as identified in Exhibit I, CONTRACTOR's Administration and Exhibit J, COUNTY's Administration. Addresses may be changed by either party giving 10 days' prior written notice thereof to the other party. The Director shall have the authority to issue all notices or demands required or permitted by the COUNTY under this Contract.

34.0 PROPRIETARY RIGHTS

34.1 COUNTY and CONTRACTOR agree that all materials, data and information developed under or used in connection with this Contract shall become the sole property of COUNTY, provided that CONTRACTOR may retain possession of all working papers prepared by CONTRACTOR. During and subsequent to the term of this Contract, COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

34.2 Notwithstanding any other provision of this Contract, COUNTY and CONTRACTOR agree that COUNTY shall have all ownership rights in software

or modification thereof and associated documentation designed, developed or installed with federal financial participation; additionally, the Federal Government shall have a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications and documentation. Notwithstanding any other provision of this Contract, proprietary operating/vendor software packages (e.g., ADABAS or TOTAL) which are provided at established catalog or market prices and sold or leased to the general public shall not be subject to the ownership provisions of this Section. CONTRACTOR may retain possession of all working papers prepared by CONTRACTOR. During and subsequent to the term of this Contract, COUNTY shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

- 34.3 Any materials, data and information not developed under this Contract, which CONTRACTOR considers to be proprietary and confidential, shall be plainly and prominently marked by CONTRACTOR as "TRADE SECRET," "PROPRIETARY," or "CONFIDENTIAL."
- 34.4 COUNTY will use reasonable means to ensure that CONTRACTOR's proprietary and confidential materials, data and information are safeguarded and held in confidence. However, COUNTY will notify CONTRACTOR of any Public Records Act request for items described in Sub-Section 34.3. COUNTY agrees not to reproduce or distribute such materials, data and information to non-COUNTY entities without the prior written permission of CONTRACTOR.
- 34.5 Notwithstanding any other provision of this Contract, COUNTY shall not be obligated in any way under Sub-section 34.4 for:
 - 34.5.1 Any material, data and information not plainly and prominently marked with restrictive legends as set forth in Sub-section 34.3;
 - 34.5.2 Any materials, data and information covered under Sub-section 34.2; and
 - 34.5.3 Any disclosure of any materials, data and information which COUNTY is required to make under the California Public Records Act or otherwise by law.
- 34.6 CONTRACTOR shall protect the security of and keep confidential all materials, data and information received or produced under this Contract. Further, CONTRACTOR shall use whatever security measures are necessary to protect all such materials, data and information from loss or damage by any cause, including, but not limited to, fire and theft.

- 34.7 CONTRACTOR shall not disclose to any party any information identifying, characterizing or relating to any risk, threat, vulnerability, weakness or problem regarding data security in COUNTY's computer systems or to any safeguard, countermeasure, contingency plan, policy or procedure for data security contemplated or implemented by COUNTY, without COUNTY's prior written consent.
- 34.8 The provisions of Sub-sections 34.5, 34.6, and 34.7 shall survive the expiration or termination of this Contract.

35.0 PUBLICITY

- 35.1 The CONTRACTOR shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the CONTRACTOR's need to identify its services and related clients to sustain itself, the COUNTY shall not inhibit the CONTRACTOR from publishing its role under this Contract within the following conditions:
- 35.1.1 The CONTRACTOR shall develop all publicity material in a professional manner; and
- 35.1.2 During the term of this Contract, the CONTRACTOR shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles or other materials using the name of the COUNTY without the prior written consent of the County's Project Director. The COUNTY shall not unreasonably withhold written consent.
- 35.2 The CONTRACTOR may, without the prior written consent of COUNTY, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this section shall apply.

36.0 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

- 36.1 CONTRACTOR shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. CONTRACTOR shall also maintain accurate and complete employment and other records relating to its performance of this Contract.
- 36.2 CONTRACTOR agrees that the COUNTY, or its authorized representatives, the State of California, or its authorized representatives, or the Federal Government, or its authorized representatives, including, but not limited to, the

U. S. Comptroller General, shall have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity or records relating to this Contract. All financial records, supporting documents, statistical records, and all other records pertinent to the award and performance of this Contract, including, but not limited to, all timecards and other employment records and confidential information, shall be kept and maintained by CONTRACTOR at a location in Los Angeles County and shall be made available to COUNTY, State or federal authorities, during the term of this Contract and either for a period of five (5) years after the expiration of the term of this Contract or for a period of three (3) years from the COUNTY's final payment under this contract, whichever date is later. If before the expiration of that time period, any litigation, claim, financial management review or audit is started, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken. If such material is located outside of Los Angeles County, then, at COUNTY's sole option, CONTRACTOR shall pay COUNTY for travel per diem and other costs incurred by COUNTY in exercising its rights under this Section. CONTRACTOR shall maintain all records in accordance with California State records and retention regulations including the provisions of California Department of Social Services Manual, Section 23-353.

- 36.3 In the event that an audit of the CONTRACTOR is conducted specifically regarding this Contract by any federal or State auditor, or by any auditor or accountant employed by the CONTRACTOR or otherwise, then the CONTRACTOR shall file a copy of such audit report with the COUNTY's Auditor-Controller within 30 days of the CONTRACTOR's receipt thereof, unless otherwise provided by applicable federal or State law or under this Contract. Subject to applicable law, the COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 36.4 Failure on the part of the CONTRACTOR to comply with any of the provisions of this Section shall constitute a material breach of this Contract upon which the COUNTY may terminate or suspend this Contract.
- 36.5 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the COUNTY conduct an audit of the CONTRACTOR regarding the work performed under this Contract, and if such audit finds that the COUNTY's dollar liability for any such work is less than payments made by the COUNTY to the CONTRACTOR, then the difference shall be either: a) repaid by the CONTRACTOR to the COUNTY by cash payment upon demand; or b) at the sole option of the COUNTY's Auditor-Controller, deducted from any amounts due to the CONTRACTOR from the COUNTY, whether under this Contract or otherwise. If such audit finds that the COUNTY's dollar liability for such work is more than the payments made by the COUNTY to the CONTRACTOR, then the difference shall be paid to the CONTRACTOR by the COUNTY by cash payment, provided

that in no event shall the COUNTY's maximum obligation for this Contract exceed the funds appropriated by the COUNTY for the purpose of this Contract.

- 36.6 CONTRACTOR shall be responsible for conducting annual financial audits of its agency and its subcontractor(s) if required by COUNTY or the California Department of Social Services (CDSS), to be conducted by an independent audit firm and in accordance with generally accepted auditing standards. Within 30 calendar days after issuance of such audit reports, CONTRACTOR shall forward copies of such reports to DCFS.

37.0 RECYCLED-CONTENT PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the COUNTY landfills, the CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on this Contract.

38.0 SAFELY SURRENDERED BABY LAW

- 38.1 Contractor's Acknowledgement of COUNTY's Commitment to the Safely Surrendered Baby Law.

The CONTRACTOR acknowledges that the COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. Information is available at: <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>

- 38.2 Notice to Employees Regarding the Safely Surrendered Baby Law

CONTRACTOR shall notify and provide to its employees, and shall require each Subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. Additional information is available at: <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>

39.0 SHRED DOCUMENT

- 39.1 CONTRACTOR shall ensure that all confidential documents and papers, as defined under state law (including, but not limited to Welfare and Institutions Code section 10850) relating to this Contract must be shredded and not put in trash containers when CONTRACTOR disposes of these documents and papers. All documents and papers to be shredded are to be placed in a locked or secured container/bin/box and labeled "shred" until they are destroyed. No confidential documents and papers are to be recycled.

- 39.2 Documents for record and retention purposes in accordance with Subsection 43.5 (Record Retention and Inspection/Audit Settlement) of this Contract are to be maintained for a period of five (5) years.

40.0 TERMINATION FOR CONTRACTOR'S DEFAULT

- 40.1 Upon determining the existence of any one or more of the circumstances heretofore described in Part II, Section 25.0, Events of Default, this Contract may be subject to termination, by the Board of Supervisors, or designee, either immediately or within such longer time period as noticed by COUNTY.
- 40.2 In the event COUNTY terminates this Contract in whole or in part as provided in this Section, COUNTY may recover damages to the extent permitted by applicable law, subject to the terms of the Dispute Resolution Procedures, Part II, Section 23.0.

After receipt of a notice of termination, CONTRACTOR shall submit to COUNTY in the form and with the certification as may be prescribed by COUNTY, its termination claim and invoice. Such claim and invoice shall be submitted promptly. COUNTY will not accept any such invoice submitted later than three (3) months from the effective date of termination. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY may determine, on the basis of information available to COUNTY, the amount, if any, due to CONTRACTOR in respect to the termination, and such determination shall be final. After such determination is made, COUNTY shall pay

41.0 TERMINATION FOR CONVENIENCE - COUNTY

- 41.1 The performance of Services under this Contract may be terminated in whole or part when such action is deemed by COUNTY to be in its best interest and such termination is approved by the Board of Supervisors. Termination of Services hereunder shall be effected by delivery to CONTRACTOR of a ninety (90) day advance notice of termination specifying the extent to which performance of Services under this Contract is terminated and the date upon which such termination becomes effective.
- 41.2 After approval of the termination by the Board of Supervisors, COUNTY will provide for the continued placement or removal of Placed Children in a fashion that is consistent with the best interest of children. In addition, CONTRACTOR shall:

41.2.1 Stop Services under this Contract on the effective date of termination.

41.2.2 Continue to perform, as required by this Contract until the effective date of termination.

41.3 After receipt of a notice of termination, CONTRACTOR shall submit to COUNTY in the form and with the certification as may be prescribed by COUNTY, its termination claim and invoice. Such claim and invoice shall be submitted promptly. COUNTY will not accept any such invoice

42.0 TERMINATION OF CONTRACT BY CONTRACTOR FOR CONVENIENCE

42.1 This Contract may be terminated when such action is deemed by CONTRACTOR to be in its best interest. Termination of this Contract shall be effective by the delivery to COUNTY of written notice of termination pursuant to Part II, Section 33.0, Notices, specifying the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ninety (90) Days after the notice is sent, unless COUNTY notifies CONTRACTOR, pursuant to Part II, Section 33.0, Notices, that the termination will be effective in thirty (30) Days. In the event of a breach by COUNTY under this Contract, CONTRACTOR shall have all remedies available at law, subject to the terms of Part II, Section 23.0, Dispute Resolution Procedures.

42.2 CONTRACTOR shall submit to COUNTY in the form and with the certification as may be prescribed by COUNTY, its termination claim and invoice. Such claim and invoice shall be submitted promptly. COUNTY will not accept any such invoice submitted later than three (3) months from the effective date of termination. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY may determine, on the basis of information available to COUNTY, the amount, if any, due to CONTRACTOR in respect to the termination, and such determination shall be final. After such determination is made, COUNTY shall pay CONTRACTOR the amount so determined as full and complete satisfaction of all amounts due CONTRACTOR under this Contract for any terminated Services, provided that such amounts may be offset against any amounts COUNTY claims are due from CONTRACTOR pursuant to the terms of this Contract.

42.3 After receipt of a notice of termination, COUNTY will provide for the continued placement or removal of Placed Children in a fashion that is consistent with the best interest of children.

43.0 TERMINATION FOR IMPROPER CONSIDERATION

43.1 COUNTY may, by written notice to CONTRACTOR, immediately terminate the right of the CONTRACTOR to proceed under this Contract if it is found that consideration, in any form, was offered or given by the CONTRACTOR, either

directly or through an intermediary, to any COUNTY officer, employee or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment or extension of this Contract or the making of any determinations with respect to the CONTRACTOR's performance pursuant to this Contract. In the event of such termination, the COUNTY will be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by the CONTRACTOR.

- 43.2 CONTRACTOR must immediately report any attempt by a COUNTY officer, or employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <http://fraud.lacounty.gov/>.
- 43.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

44.0 TERMINATION FOR INSOLVENCY

- 44.1 COUNTY may terminate this Contract forthwith in the event of the occurrence of any of the following:
 - 44.1.1 Insolvency of the CONTRACTOR. The CONTRACTOR shall be deemed to be insolvent if it has ceased to pay its debts for at least 60 days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the CONTRACTOR is insolvent within the meaning of the Federal Bankruptcy Code;
 - 44.1.2 The filing of a voluntary or involuntary petition regarding the CONTRACTOR under the Federal Bankruptcy Code;
 - 44.1.3 The appointment of a Receiver or Trustee for the CONTRACTOR; or
 - 44.1.4 The execution by the CONTRACTOR of a general assignment for the benefit of creditors.
- 44.2 The rights and remedies of the COUNTY provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

45.0 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

CONTRACTOR and each COUNTY lobbyist or COUNTY lobbying firm, as defined in County Code Section 2.160.010, retained by CONTRACTOR, shall fully comply with the COUNTY's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part

of CONTRACTOR or any COUNTY lobbyist or COUNTY lobbying firm retained by the CONTRACTOR to fully comply with the COUNTY's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the COUNTY may, in its sole discretion, immediately terminate or suspend this Contract.

46.0 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the COUNTY shall not be obligated for the CONTRACTOR's performance hereunder or by any provision of this Contract during any of the COUNTY's future fiscal years unless and until the COUNTY's Board of Supervisors appropriates funds for this Contract in the COUNTY's budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The COUNTY shall notify the CONTRACTOR in writing of any such non-allocation of funds at the earliest possible date.

47.0 TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

48.0 USE OF FUNDS

All uses of funds paid to CONTRACTOR and other financial transactions related to CONTRACTOR's provision of services under this Contract are subject to review or audit by DCFS, COUNTY's Auditor-Controller or its designee, and the State of California. In the event this Contract is subject to audit exceptions, CONTRACTOR shall pay to COUNTY the full amount of CONTRACTOR's liability for such audit exceptions, as determined by DCFS, upon demand by COUNTY.

49.0 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

50.0 WAIVER

No waiver by the COUNTY of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the COUNTY to enforce at any time, or from time to time, any provision of this Contract shall not be

construed as a waiver thereof. The rights and remedies set forth in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

51.0 WARRANTY AGAINST CONTINGENT FEES

51.1 CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the CONTRACTOR for the purpose of securing business.

51.2 For breach of this warranty, the COUNTY shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

52.0 WARRANTY AGAINST EXCLUSION, DEBARMENT OR SUSPENSION

CONTRACTOR certifies that neither it nor its principals are presently debarred, excluded suspended, or proposed for debarment, or otherwise declared ineligible from participation in this Contract by any governmental department or agency. CONTRACTOR must notify COUNTY Program Manager within 30 days if debarred, excluded or suspended by any governmental entity during the Contract period.

53.0 MANDATORY REQUIREMENT TO REGISTER ON FEDERAL SYSTEM FOR AWARD MANAGEMENT

CONTRACTOR represents and warrants that it has registered in the Federal System for Award Management's (SAM). Prior to a contract award, all potential contractors must register in SAM. Registration can be accomplished online via the Internet by accessing the Federal Contractor Registry's home page at <https://www.sam.gov/SAM/>. CONTRACTOR certifies that it in good standing with the federal government Executive Order 12549, 7CFR Part 3017, 45 CFR Part 76, and 2 CFR 200.212 Subpart C. CONTRACTOR certifies that to the best of its knowledge and belief it and its principals or affiliates under this contract are not debarred or suspended from federal financial assistance programs and activities; proposed for debarment; declared ineligible; or voluntarily excluded from participation in covered transactions by any federal department or agency as attached hereto as Exhibit O.

54.0 COMPLIANCE WITH ENCRYPTION REQUIREMENTS

54.1 Data Encryption

Contractor and Subcontractors that electronically transmit or store personal information (PI), protected health information (PHI) or medical information

(MI) shall comply with the encryption standards set forth below in Subsection 54.1.1, 54.1.2, and 54.1.3; and, as PI is defined in California Civil Code Section 1798.29(g), PHI is defined in Health Insurance Portability and Accountability Act of 1996 (HIPAA), and implementing regulations, and MI is defined in California Civil Code Section 56.05(j).

54.1.1 Stored Data

Contractors' and Subcontractors' workstations and portable devices (e.g., mobile, wearables, tablets, thumb drives, external hard drives) shall require encryption (i.e. software or hardware) in accordance with: (a) Federal Information Processing Standard Publication (FIPS) 140-2; (b) National Institute of Standards and Technology (NIST) Special Publication 800-57 Recommendation for Key Management- Part 1: General (Revision 3); (c) NIST Special Publication 800-57 Recommendation for Key Management – Part 2: Best Practices for Key Management Organization; and (d) NIST Special Publication 800-111 Guide to Storage Encryption Technologies for End User Devices. Advanced Encryption Standard (AES) with cipher strength of 256-bit is minimally required.

54.1.2 Transmitted Data

All transmitted (e.g. network) County PI, PHI or MI require encryption in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management - Part 3: Application-Specific Key Management Guidance. Secure Sockets Layer (SSL) is minimally required with minimum cipher strength of 128-bit.

54.1.3 Certification

The COUNTY must receive within ten (10) business days of its request, a certification from Contractor (for itself and any Subcontractors) that certifies and validates compliance with the encryption standards set forth above in Contractor's Compliance with Encryption Requirements Form (Exhibit P). In addition, CONTRACTOR shall maintain a copy of any validation/attestation reports that its data encryption product(s) generate and such reports shall be subject to audit in accordance with the Contract. Failure on the part of the Contractor to comply with any of the provisions of this Sub-section 54.1 (Data Encryption) shall constitute a material breach of this Contract upon which the COUNTY may terminate or suspend this Contract.

55.0 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

Contractor acknowledges and certifies in Attachment Q, Zero Tolerance Human Trafficking Policy Certification that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a CONTRACTOR or member of CONTRACTOR'S staff is convicted of a human trafficking offense, the COUNTY shall require that the CONTRACTOR or member of CONTRACTOR'S staff be removed immediately from performing services under the Contract. COUNTY will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of CONTRACTOR'S staff pursuant to this paragraph shall not relieve CONTRACTOR of its obligation to complete all work in accordance with the terms and conditions of this Contract.

56.0 CONTRACTOR ALERT REPORTING DATABASE

The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

57.0 COMPLIANCE WITH THE COUNTY POLICY OF EQUITY

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

58.0 INTENTIONALLY LEFT BLANK

59.0 PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

A Bidder/Proposer, or a Contractor or its subsidiary or Subcontractor ("Bidder/Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Bidder/Proposer/Contractor has provided advice or consultation for the solicitation. A Bidder/Proposer/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Bidder/Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision will result in the disqualification of the Bidder/Proposer/Contractor from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision will survive the expiration, or other termination of this Contract.

60.0 COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS

This Master Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Master Agreement. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Part II, Section 5.0 (Changes and Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Master Agreement.

61.0 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT HIRING PRACTICES

Contractor, and its subcontractors, must comply with fair chance employment hiring practices set forth in California Government Code Section 12952. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOSTER FAMILY AGENCY - EMERGENCY SHELTER CARE SERVICES
MASTER CONTRACT FOR BED HOLD SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed on its behalf by the Director of the Department of Children and Family Services and Chief Probation Officer of the Probation Department and the CONTRACTOR has subscribed the same through its authorized officer, as of the day, month and year first above written. The persons signing on behalf of the CONTRACTOR certify that they are authorized to bind the CONTRACTOR in this Contract. This Contract may be executed in separate counterparts and may be delivered by electronic facsimile; each counterpart, when executed and delivered, shall constitute a duplicate original but all counterparts together shall constitute a single agreement.

COUNTY OF LOS ANGELES

CONTRACTOR

By: _____
BRANDON T. NICHOLS
Director
Department of Children and
Family Services

Name of Agency

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Tax Identification Number

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By: _____
David Beaudet
Senior Deputy County Counsel

Foster Family Agency-Emergency Shelter Care

Standard & Unique Exhibits

Exhibit A	Statement of Work (FFA)
Exhibit A-1	FFA-ESC Services Capacity Agreement
Exhibit A-2	Removal of FFA-ESC Resource Family Home/Bed Type
Exhibit A-3	Foster Family Agency Emergency Shelter Care Control Log
Exhibit A-4	Foster Family Agency Emergency Shelter Care Intake and Discharge Log
Exhibit A-5	Emergency Shelter Care Program Reporting Procedures
Exhibit A-6	Request for Time Off
Exhibit A-7	Pricing Schedule
Exhibit B	Line Item Budget
Exhibit B-1	Contractor's Invoice
Exhibit C	CONTRACTOR's Equal Employment Opportunity (EEO) Certification
Exhibit D	CONTRACTOR Acknowledgement and Confidentiality Agreement
Exhibit D-1	CONTRACTOR Employee Acknowledgement and Confidentiality Agreement
Exhibit D-2	Contractor Non-Employee Acknowledgment and Confidentiality Agreement
Exhibit D-3	Resource Family Parent Acknowledgement and Confidentiality Agreement
Exhibit E	Auditor-Controller Contract Accounting and Administration Handbook
Exhibit F	IRS Notice 1015 - Notice to Employees Regarding Federal Earned Income Credit (FEIC)
Exhibit G	Los Angeles County Sections 2.203.010 – 2.203.090 and County of Los Angeles Contractor Employee Jury Service Program Application for Exception
Exhibit H	Intentionally Left Blank
Exhibit I	FFA-ESC Contractor's Administration
Exhibit J	County's Administration
Exhibit K	Charitable Contributions Certification
Exhibit L	User Complaint Report (UCR)
Exhibit M	Defaulted Property Tax Certification Form
Exhibit N	DCFS Foster Family Agency Contract Investigation/Monitoring/Audit Remedies and Procedures
Exhibit O	Federal Debarment and Suspension Certification Form
Exhibit P	Contractor's Compliance with Encryption Requirements Form
Exhibit Q	Zero Tolerance Human Trafficking Policy Certification Form
Exhibit R	Intentionally Omitted
Exhibit S	Information Security and Privacy Requirements
Exhibit T	Compliance with Fair Chance Employment Hiring Practices Certification
Exhibit U	Federal Award Information

NOTE: The exhibits highlighted in grey are and will be included in the "Unique Exhibits" packet.

COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
FOSTER FAMILY AGENCY – EMERGENCY SHELTER CARE
(FFA–ESC BED HOLDS)

STATEMENT OF WORK



**COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)
FOSTER FAMILY AGENCY – EMERGENCY SHELTER CARE**

STATEMENT OF WORK

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PART A: INTRODUCTION

1.0 PREAMBLE

The County of Los Angeles seeks to collaborate with its community partners to enhance the capacity of the health and human services system to improve the lives of children and families. These efforts require, as a fundamental expectation, that the County's contracting partners share the County and community's commitment to provide health and human services that support achievement of the County's Strategic Plan Mission, Values, Goals and Performance Outcomes.

The County's vision is a value driven culture, characterized by extraordinary employee commitment to enrich lives through effective and caring service, and empower people through knowledge and information. This philosophy of service excellence is anchored in the County's shared values of: 1) Integrity; 2) Inclusivity; 3) Compassion; and 4) Customer Orientation.

These shared values are encompassed in the County's Strategic Plan's three Goals: 1) Make Investments that Transform Lives; 2) Foster, Vibrant and Resilient Communities; and 3) Realize Tomorrow's Government Today.

Improving the well-being of children and families requires coordination, collaboration and integration of services across functional and jurisdictional boundaries, by and between County departments/agencies and community and contracting partners.

2.0 OVERVIEW

- 2.1 In addition to the FFA-ESC Master Contract and this FFA-ESC Statement of Work (SOW), CONTRACTOR shall abide by all applicable requirements as described in the Foster Family Agency Master Contract and Exhibit A, FFA SOW.
- 2.2 Emergency Shelter Care (ESC) Placement Services shall be provided by Foster Family Agencies (FFA) contracted by Los Angeles County, and shall be responsible for recruiting, approving, training of, and providing professional support to Resource Families (RFAs) who will provide ESC Placement Services in out-of-home care in a family home setting for the emergency placement of children/youth, pregnant and parenting teens with children, and Non Minor Dependents (NMDs) who are supervised by DCFS and in need of care. FFAs will coordinate with DCFS to find homes and provide services and supports to RFAs and to the placed children to the extent possible and authorized by local, state and federal law.
- 2.3 Emergency Shelter Care is a temporary placement, providing 24-hour care for children/youth taken into protective custody for a temporary period not to exceed twenty-one (21) days. The Resource Family would provide shelter,

food, clothing, and other immediate necessities.

- 2.4 Because any payments CONTRACTOR makes to Resource Families as a result of this Contract may be taxable income to the recipients, Contractor is expected to report these payments to its Resource Families by issuing Internal Revenue Service Form 1099 as required by law for independent contractors.

3.0 FFA-ESC PROGRAM GOALS

- 3.1 CONTRACTOR shall provide Emergency Intake and Placement Services twenty-four (24) hours a day, seven (7) days a week in every Resource Family home identified for ESC Placement Services for children and youth as described in the CONTRACTOR's Plan of Operation and Program Statement, Part B.
- 3.2 The FFA-ESC program is a time limited placement of up to a twenty-one (21) day stay.
- 3.3 The FFA-ESC Program Manager may extend the stay up to thirty (30) days, on a case by case basis.

PART B – PROGRAM REQUIREMENTS

4.0 FFA-ESC SERVICE DELIVERY SITES

- 4.1 CONTRACTOR shall not place children/youth at a service delivery site not approved on Exhibit A-2 as indicated in the FFA Master Contract Exhibit A, FFA SOW, Section 7.0 and as identified in Exhibit A-1 FFA-ESC Services Capacity Agreement.
- 4.2 CONTRACTOR shall identify the FFA-ESC Resource Family and maintain the agreed number of beds unoccupied for the selected bed placement category listed in Exhibit A-1 FFA-ESC Services Capacity Agreement, on a 24-hour, 7 days a week basis.
 - 4.2.1 To request to add an FFA-ESC Resource Family home or bed type to the FFA-ESC contract, CONTRACTOR shall submit a new Exhibit A-1, FFA-ESC Services Capacity Agreement to COUNTY.
 - 4.2.2 To remove an FFA-ESC Resource Family home or bed type from the FFA-ESC contract, CONTRACTOR shall submit an Exhibit A-2, Removal of FFA-ESC Resource Family Home/Bed Type to COUNTY notifying the DCFS OHCMD Division Chief or designee and CAD Division Manager or designee in writing at minimum of thirty (30) days of the intent to remove an FFA-ESC Resource Family home or bed type.
- 4.3 CONTRACTOR shall reserve a bed for each FFA-ESC Child/Youth, to keep

them safe and comfortable.

- 4.4 Once the FFA-ESC Child/Youth is in the CONTRACTOR'S home, the CONTRACTOR will provide for the FFA-ESC Child/Youth's basic needs.
- 4.5 CONTRACTOR shall not utilize the FFA-ESC program designated bed for a child(ren) not currently placed in the FFA-ESC program.

PART C: COUNTY RESPONSIBILITIES

5.0 PROGRAM STAFF

- 5.1 COUNTY shall designate a COUNTY Program Manager (CPM) who will be responsible for administering this Program and the daily management of this Program's operations, and for the oversight of monitoring activities, compliance with the requirements of the Contract, and the delivery of services.
- 5.2 The CPM responsible for daily management of Program operation:
 - Program Manager
 - Department of Children and Family Services
 - Emergency Shelter Care Program
 - 9320 Telstar Avenue, Suite 216
 - El Monte, CA 91731
 - (626) 569-6803
- 5.3 The CPM shall have a designee who may act in his/her place at all times. The CPM and designee are identified in COUNTY's Administration (FFA-ESC Master Contract, Exhibit J).
- 5.4 The CPM shall provide direction to CONTRACTOR in areas relating to DCFS policy, information, and procedural requirements.

PART D – FFA-ESC REQUIRED SERVICE TASKS

6.0 CASE CONFERENCE OR CHILD AND FAMILY TEAM (CFT) MEETING FOR FFA-ESC PLACED CHILDREN

The CONTRACTOR shall contact the Case Carrying Children Social Worker (CSW) to request a case conference or CFT Meeting, which shall be held no later than the 7th calendar day of placement.

- 6.1 The case conference or CFT meeting shall be documented by FFA staff in the Child's Case File and record the date in Exhibit A-3, Foster Family Agency Emergency Shelter Care Control Log and the Foster Family Agency Emergency Shelter Care Intake and Discharge Log, Exhibit A-4.

7.0 FFA-ESC PLACEMENT PROCESS (INTAKE/DISCHARGE)

CONTRACTOR shall abide by the Intake and Discharge procedures as described in the FFA Master Contract, Exhibit A, FFA SOW, Section 18.0. Additionally, the CONTRACTOR shall abide by the additional following requirements:

7.1 Requirement for Emergency Intake Placement 24/7

CONTRACTOR shall provide Intake and Placement Services 24 hours per day, 7 days per week; and provide FFA-ESC Children/Youth a temporary home with a bed, meals and general care for their protection and comfort.

7.1.1 CONTRACTOR shall provide 24 hours per day, 7 days per week intake placement services and an emergency number with staff available 24 hours, 7 days per week.

7.2 CONTRACTOR shall be available twenty-four (24) hours per day, seven days per week, to discuss detailed information of the Child/Youth to determine if the CONTRACTOR's FFA-ESC program meets the needs of the Child/Youth.

7.3 Intake and Discharge Log

CONTRACTOR shall maintain the Foster Family Agency Emergency Shelter Care Intake and Discharge Log (Exhibit A-4) and provide via e-mail to the CPM on a daily basis. The Foster Family Agency Emergency Shelter Care Intake and Discharge Log contains the agency's name, the resource parent's name, the Child/Youth's name, gender and date of birth, the CSW, Supervising CSW (SCSW), the Assistant Regional Administrator (ARA), the admission and discharge dates, the date of the Case Conference or CFT and the placement type where the child/youth was discharged to.

7.4 Denial of Placement of FFA-ESC Children/Youth

CONTRACTOR shall accept all DCFS referred FFA-ESC Children/Youth and shall not refuse any such referrals unless exceptional conditions apply. Exceptional Conditions may include, but are not limited to: (a) Residency in the Resource Family home will endanger the FFA-ESC Child, other children in the home, and/or the safety of all FFA-ESC Children, children and family in the home; (b) Children that have been identified as requiring a higher level of care, such as an Intensive Services Foster Care (ISFC) placement, a Short Term Residential Therapeutic Program (STRTP), a Residential Care Level (RCL) 14, a Community Treatment Facility (CTF), or be declared a ward under the jurisdiction of WIC 601/602; (c) CONTRACTOR's Resource Family home is on official "Do Not Refer," "Do Not Use," "Investigative Hold" status, and/or "Off-Call".

7.5 DISCHARGE

CONTRACTOR shall not discharge any Child/Youth without approval from the Child/Youth's CSW, SCSW, CPM or designee.

7.5.1 Intent to Discharge or 7 day notices do not apply for Children/Youth placed under the FFA-ESC Contract.

8.0 ESC MONITORING REQUIREMENTS

8.1 Clothing Inventories

The CONTRACTOR shall maintain a written inventory of each child's clothing.

8.1.1 Meeting of the Full Clothing Standard in a Timely Manner for FFA- ESC

CONTRACTOR shall minimally provide Child/Youth upon placement into the FFA-ESC program two (2) sets of clothing which shall include, but not limited to: pants, shirts/blouses, socks and undergarments. In addition, FFA-ESC program shall ensure that each placed child has, or is provided with, the following items: at least one pair of shoes, a jacket/sweater, pajamas, and slippers.

9.0 CONTRACTOR'S REPORTING AND COMMUNICATION PROCEDURES

9.1 CONTRACTOR shall immediately report by telephone to CPM or designee any change in the resource family home's capacity within 24 hours of such changes.

9.2 CONTRACTOR shall notify CPM or designee (by telephone) of all unoccupied beds within two hours of the bed becoming available. Any available bed listed on the approved FFA-ESC Services Capacity Agreement (Exhibit A-1), not occupied by an FFA-ESC Child, is considered to be vacant. Failure to report vacancies is a violation of this Contract and is subject to remedial action, including, but not limited to a Corrective Action Plan (CAP) and/or termination of this Contract.

9.3 CONTRACTOR shall notify CPM or designee (by telephone) within 24 hours, from when the CONTRACTOR first learns that the beds are unavailable for reasons, which include, but are not limited to, foreclosure, fire, disaster, civil unrest, or loss of Resource Family Approval.

9.4 CONTRACTOR shall report within 24 hours to CPM or designee (by telephone) any discussion between CONTRACTOR and CSW regarding possible extension of an FFA-ESC Child's stay beyond the 21-day limit.

9.5 CONTRACTOR shall notify CPM or designee on the 7th day of

any FFA-ESC Child's continuous placement, by telephone, to ensure a case conference occurs with CPM as described in Section 6.0 in this SOW.

- 9.6 CONTRACTOR shall verbally notify the CSW within four hours when the FFA-ESC Child is missing or their whereabouts are not known. If it is during after hours, CONTRACTOR shall notify the DCFS Hotline at (800) 540- 4000 that the FFA-ESC Child is missing.
 - 9.6.1 CONTRACTOR shall report any significant event or incident pertaining to an ESC Child/Youth by using Exhibit A-5, Emergency Shelter Care Program Reporting Procedures and as described in the FFA Master Contract, Exhibit A, FFA SOW, Section 10.0, as applicable.
- 9.7 CONTRACTOR shall maintain direct communication with CPM or designee by telephone. CONTRACTOR shall at all times have a telephone in working order and shall also maintain a back-up telephone number or alternate means of communication.
- 9.8 CONTRACTOR shall notify CPM or designee of any failure or non-service of their telephone, or change in telephone number within 24 hours.
- 9.9 CONTRACTOR shall be responsive to return any calls made by COUNTY regarding any placed FFA-ESC Child within two hours.
- 9.10 CONTRACTOR shall maintain frequent communications with the CPM or designee, including but not limited to, telephone communication, and meetings, as specified herein and as required by the COUNTY.
- 9.11 Failure to comply with services as described in Sections 9.7 to 9.10 above is a violation of this Contract and is subject to remedial action, including, but not limited to a CAP and/or termination of this Contract.
- 9.12 CONTRACTOR is entitled to time off without compensation. A Request for Time Off, Exhibit A-6, shall be completed for vacation, time off and/or any other reasons.
 - 9.12.1 CONTRACTOR shall submit a written Request for Time Off to the CPM at least 14 days prior to the requested time off starting date.
 - 9.12.2 CONTRACTOR shall not be paid for services under this Contract while the CONTRACTOR is on a Do Not Refer, Do Not Use, Investigative Hold, and/or Off-Call status.

10.0 CONTRACTOR'S COMPENSATION

10.1 Bed Availability Rate

CONTRACTOR shall make available the number of beds for the bed

placement category specified in Exhibit A-1, FFA-ESC Services Capacity Agreement. CONTRACTOR shall maintain the availability of these beds, on a 24-hour, 7 days-per-week basis, until placement occurs. CONTRACTOR shall be compensated at the rates specified on Exhibit A-7, Pricing Schedule.

10.1.1 Bed Availability Rate payment for each Bed Placement Category shall be disbursed as indicated in Exhibit A-7.

10.1.2 If a bed vacancy exceeds 60 days, CPM reserves the right to withhold the Bed Availability rate payment and place the bed on "off-call" status until a placement is secured.

10.1.3 CONTRACTOR shall not be paid for services under this Contract while the CONTRACTOR is on a Do Not Refer, Do Not Use, Investigative Hold, and/or Off-Call status.

10.2 Placement Rate

Upon placement of an FFA-ESC Child in CONTRACTOR's home, CONTRACTOR shall continue to receive the monthly Bed Availability Rate as specified in Subsection 10.1 for the days the FFA-ESC Child remains in the CONTRACTOR'S home. Rates shall be prorated for periods less than one (1) month.

10.2.1 CONTRACTOR shall submit the Foster Family Agency Emergency Shelter Care Control Log (Exhibit A-3) and invoices timely on a monthly basis, as indicated in the FFA-ESC Master Contract, Part I: Unique Terms and Conditions, Section 5.0.

**FOSTER FAMILY AGENCY-EMERGENCY SHELTER CARE (FFA-ESC)
SERVICES CAPACITY AGREEMENT**

Contractor's Name: _____

Resource Family Parent(s) Name(s): _____

Address: _____

City, State and Zip Code: _____

Telephone Number(s): _____

Back-up/Alternate Telephone Number(s): _____

FFA-ESC SERVICES CAPACITY:

CONTRACTOR agrees to provide FFA-ESC Services Capacity as follows:

Number of Bedrooms _____

Number of Beds _____ for ages 0-17

Number of Beds _____ for Non Minor Dependents ages 18-20

Number of Beds _____ for Teen moms & Number of Cribs _____ for Teen moms' infant
(A separate crib is required for each infant*)

Number of Beds _____ for sibling group (A minimum of three beds must be available for sibling groups
with a maximum of two children per bedroom)

Contractor's Signature _____ Date _____

Resource Family Parent's Signature _____ Date _____

Resource Family Co-Parent's Signature _____ Date _____
(If applicable)

DCFS Out-of-Home Care Management Division Approval:

Program Manager's Signature _____ Date _____

*Cribs are for children up to age 2 only unless waived in writing by Community Care Licensing Division (CCLD) prior to placement.

**REMOVAL OF FOSTER FAMILY AGENCY-EMERGENCY SHELTER CARE
RESOURCE FAMILY HOME/BED TYPE**

Date: _____

To: OHCMD Division Chief/CAD Division Manager
Foster Family Agency-Emergency Shelter Care Services Program

From: _____
CONTRACTOR (Please print name)

This is my 30 days advance notice of removing a Resource Family Home/Bed Type with the Foster Family Agency-Emergency Shelter Care Services Program. Such termination shall be effective 30 days from the date of postmark, or date on which this Notice of Removal is delivered to COUNTY, specifying the date upon which the termination of this Contract becomes effective.

I understand that I shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by me after termination of this contract.

I understand that I would be responsible for the accuracy of final invoices submitted to COUNTY. Any overpayment received by me shall be returned to COUNTY within 14 days of receiving notification of such overpayment from the COUNTY.

Contractor's Signature

Date

Effective Date

FOSTER FAMILY AGENCY-EMERGENCY SHELTER CARE
CONTROL LOG

CONTRACTOR: _____

RESOURCE PARENT: _____

LICENSE NUMBER: _____

FOR FFA-ESC STAFF ONLY:

No. OF PLACEMENTS: _____

No. OVER 21 DAYS: _____

I did not receive any placements this month.

I certify for the month of _____, 20____, the CONTRACTOR's bed utilization was as follows:

NAME OF MINOR	DOB	BED TYPE	PLACEMENT DATE	CONFERENCE/ CFT DATE	EXIT DATE	DAYS IN FFA- ESC	Children's Social Worker
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							

Note: If an FFA-ESC child is still in the CONTRACTOR's home, enter "N/A"

FOSTER FAMILY AGENCY EMERGENCY SHELTER CARE INTAKE AND DISCHARGE LOG-ADMISSIONS YEAR TO DATE

**EMERGENCY SHELTER CARE PROGRAM
REPORTING PROCEDURES**

<i>To report the following listed below:</i>	<i>Contact the corresponding unit below:</i>	<i>At the telephone number listed below:</i>	<i>During the following hours:</i>	<i>On the following days:</i>
1) Placements and Vacancies	Emergency Shelter Care Staff	(626) 569-6867 (626) 569-6868 (626) 569-6871 (626) 569-6865 (626) 569-6873	8:00 a.m. – 5:00 p.m.	Monday through Friday
2) Runaways	Police Personnel	Local Police	24 Hours	Any Day
	Child Protection Hot Line	(800) 540-4000	24 Hours	Any Day
	Social Worker	Regional Office	8:00 a.m. – 5:00 p.m.	Monday through Friday
3) Emergencies	Social Worker	Regional Office	8:00 a.m. – 5:00 p.m.	Monday through Friday
	Child Protection Hot Line	(800) 540-4000	After 10:00 p.m. Monday through Friday, anytime during weekends and holidays	
	Emergency Shelter Care Staff	Cell (626) 243-6107	24 hours, Monday – Friday, Holidays and Weekends.	
4) Stop Payment (Call must be made for each minor that leaves your home)	Foster Care/Adoptions Assistant Hotline	(800) 697-4444	8:00 a.m. – 5:00 p.m.	Monday through Friday

EMERGENCY SHELTER CARE PROGRAM STAFF

Emergency Shelter Care Cell Number: (626) 243-6107

County Program Manager..... (626) 569-6810

ESC Program Coordinators Phone Numbers

(626) 569-6865
(626) 569-6867
(626) 569-6871
(626) 569-6873

ESC Program Assistants

(626) 569-6868
(626) 569-6870

REQUEST FOR TIME OFF

Date: _____

To: County Program Manager
Foster Family Agency-Emergency Shelter Care Services Program

From: _____
CONTRACTOR (Please print name)

This is my 14 days advance notice of time off as I will be:

- On Vacation
- Off Call (Time off)
- Other: _____

My time off will begin on _____ and will end on _____
Date Date

I will be ready to resume accepting minors in my home on a continuous 24-hour/7-days basis on _____.
Date

CONTRACTOR's Signature

Date

RFA Certificate No.
(if any)

Co-CONTRACTOR's Signature
(if applicable)

Date

**PRICING SCHEDULE
FOSTER FAMILY AGENCY-EMERGENCY SHELTER CARE SERVICES
BED AVAILABILITY RATES**

CONTRACTOR hereby agrees to perform the services, the scope of which is set forth in the above- identified Contract for the County of Los Angeles, under all of the terms and conditions specified in the Statement of Work, Exhibits, Performance Requirements Summary, Attachments and Contract.

Prices include all applicable charges and costs associated with receipt, delivery, confirmation, and any other costs necessary in the performance of all tasks outlined in the Statement of Work, Exhibits, Performance Requirements Summary, Attachments, and Contract.

Bed Placement Category	Monthly Bed Availability Rate	Resource Parent	FFA Administrative Cost
Children Ages 0-17 and Non-Minor Dependents For sibling groups, 4-beds must be available at minimum.	\$440	\$400	\$40
Teen Mom and her Infant ¹	\$660	\$600	\$60

CONTRACTOR's Signature

CO-CONTRACTOR's Signature
(if applicable)

¹ Rate includes one bed for the mother and a separate crib for the infant, in the same room.

FFA-ESC PLAN OF OPERATION AND PROGRAM STATEMENT

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Contractor Name _____ Employee Name _____

Contract No. _____

GENERAL INFORMATION:

Your employer referenced above has entered into a Master Contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced Master Contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced Master Contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Master Contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced Master Contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future Master Contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other contractors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Master Contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced Master Contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County contractors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this Master Contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Contractor Name _____

Non-Employee Name _____

Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a Master Contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced Master Contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced Master Contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced Master Contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced Master Contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future Master Contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other contractors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced Master Contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced Master Contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County Contractors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this Master Contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

**RESOURCE FOSTER PARENT ACKNOWLEDGEMENT
AND
CONFIDENTIALITY AGREEMENT**

GENERAL

This is to emphasize that it is necessary to protect the confidentiality of information obtained from the Department of Children and Family Services.

I understand that the foster family agency approving my home, _____, has entered into an Contract with the County of Los Angeles to provide foster care support services to the County.

As a resource foster parent of _____, I must sign the Resource Foster Parent Confidentiality Agreement (on the reverse side of this page or attached) as a condition of my approval by _____.

RESOURCE FOSTER PARENT ACKNOWLEDGEMENT

I understand that _____ is my approval foster family agency. I rely exclusively upon the foster family agency approving my home for reimbursement of expenses for basic services I provide for children placed in my home and any and all other benefits I receive on my behalf during the period of this relationship.

I understand and agree that I am not an employee of Los Angeles County's Department of Children and Family Services for any purpose and that I do not have any, and will not acquire any, rights or benefits from the County of Los Angeles pursuant to any contract between the foster family agency approving my home and the County of Los Angeles, unless I have obtained a signed written waiver to this prohibition from the DCFS Director, or delegate, for purposes of entering into a fost-adopt plan of action.

Please Note: The Resource Foster Parent Confidentiality Agreement is on the reverse side of this page or attached to it. Both pages of this document must be reviewed, signed and in the Foster Family Agency's Contract for Foster Care with the County.

RESOURCE FOSTER PARENT CONFIDENTIALITY AGREEMENT

As a resource foster parent of _____ involved with work pertaining to County services, I may have access to confidential data pertaining to clients of the Department of Children and Family Services (DCFS). All clients of DCFS are assured that information that they give is confidential. Names, addresses and all other information concerning the circumstances of any individual for whom or about whom information is obtained are confidential. This is true of all information whether written or oral.

I understand that I may not discuss any situation(s), which could possibly identify an individual, nor shall names, addresses or any other identifying information of applicants, clients, foster parents or birth parents ever be discussed. I will not read narratives, letters, documents or other information except as necessary in the performance of my duties. In the event that I find that I am assigned work in connection with a family or a client known to me, it is my responsibility to ask that work on that particular case be transferred.

I hereby agree that I will not divulge to any unauthorized person any information obtained while performing work pursuant to the Contract between _____ and the County of Los Angeles.

I agree to refer all requests for the release of information received by me to the Foster Family Agency certifying my home.

I agree to report any and all violations of the above by any other person and myself to the Foster Family Agency approving my home and I agree to ensure that the Foster Family Agency approving my home reports such violations to the County of Los Angeles Department of Children and Family Services. I agree to return all materials to the Foster Family Agency approving my home upon termination of my approval by _____ or removal of my last placed child, whichever comes first.

I acknowledge that violation of this Resource Foster Parent Confidentiality Agreement may subject me to civil and/or criminal action and that the County of Los Angeles will seek all possible legal redress.

Name _____
(Signature)

Name _____
(Print)

Date _____

**DEPARTMENT OF AUDITOR-CONTROLLER
CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK**

The purpose of the handbook is to establish required accounting, financial reporting, internal control, and contract administration standards for organizations that contract with Los Angeles County.

AUDITOR-CONTROLLER CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK

The purpose of this Handbook is to establish required accounting, financial reporting, internal control, and contract administration standards for organizations (CONTRACTOR) that contract with Los Angeles County (COUNTY).

The accounting, financial reporting, and internal control standards described in this Handbook are fundamental. These standards are not intended to be all inclusive or replace acceptable existing procedures, preclude the use of more sophisticated methods, or supersede any laws or requirements imposed by the applicable funding sources (i.e., federal and State agencies) that may be more restrictive and/or stringent. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR'S accounting and financial reporting system. The internal control standards described apply to organizations with adequate staffing. Organizations with insufficient staff to implement the internal controls as described herein must adopt alternative controls (e.g., use of appropriate alternative staff or Board Officers) to comply with the intent of the standards to ensure effective internal control systems are in place within the organization. The CONTRACTOR'S subcontractors must also follow these standards unless otherwise stated in the Agreement.

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

Unless otherwise specified by the funding source, CONTRACTORS may elect to use either the accrual or cash basis of accounting during the year for recording financial transactions. Monthly invoices must be prepared on the same basis used for recording financial transactions.

The COUNTY recommends the use of the accrual basis for recording financial transactions.

1.1 Accrual Basis

Under the accrual basis for recording financial transactions, revenues are recorded in the accounting period earned (rather than when cash is received). Expenditures are recorded in the accounting period incurred (rather than when cash is disbursed).

Recorded accruals (e.g., to estimate expenditures) shall be reversed in the subsequent accounting period or when deemed appropriate in accordance with Generally Accepted Accounting Principles (GAAP).

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1.2 Cash Basis

If a CONTRACTOR elects to use the cash basis for recording financial transactions during the year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of each year of the contract, and at the end of the contract.
- All computations, supporting records, and explanatory notes used in converting from the cash basis to the accrual basis must be retained.

1.3 Prepaid Expenditures

Prepaid expenditures (e.g., insurance, service agreements, lease agreements) must be expensed during the appropriate Agreement year to the extent goods and services are received, or are applicable to that Agreement year.

2.0 Accounting System

Each CONTRACTOR must maintain a **double entry accounting system** (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The COUNTY requires that a Payroll Register (see Section A.2.6) also be maintained. Postings to the General Ledger and Journals shall be made at least on a monthly basis. The CONTRACTOR must maintain separate cost centers, which clearly identify funds received and expended on services provided under the COUNTY Agreement.

2.1 General Journal

A General Journal must be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:

	<u>Debit</u>	<u>Credit</u>
Rent Expenditure	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal must be maintained for recording all cash receipts (e.g., COUNTY warrants, contributions, interest income). The Cash Receipts Journal shall, at a minimum, contain the following column headings:

- Date
- Receipt Number
- Cash Debit Columns
- Income Credit Columns (for the following accounts):
 - COUNTY payments (one per funding source)
 - Contributions/Donations
 - Other Income (grants, sales of supplies/services, rental income, miscellaneous revenue, fees)
 - Description (entries in the description column must clearly specify the source of cash receipts.)

2.3 Cash Disbursements Journal

A Cash Disbursements Journal must be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance)

The Cash Disbursements Journal must, at a minimum, contain the following column headings:

- Date
- Check Number
- Cash (Credit) Column
- Expenditure Account Name
- Description

Note (1) Separate cost columns are required for salary expenditures and other recurring cost classifications for each program.

Note (2) Entries in the description column must clearly specify the nature of the cost and the corresponding cost classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage reimbursements, travel reimbursements, and petty cash fund custodian checks).

A **Check Register** may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must contain the same cost classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed upon audit. Canceled checks and credit card statements (VISA, AMEX, department store, etc.) alone will not constitute acceptable support. See Sections A.3.2 and B.2.4 for additional guidance on documentation requirements.

2.4 General Ledger

A General Ledger must be maintained with accounts for all assets, liabilities, fund balances, revenues, and expenditures. Separate accounts or cost centers must be maintained for the revenues (e.g., donations, grants, rental income, miscellaneous revenue) and expenditures of each of the CONTRACTOR'S programs and activities (both COUNTY and non-COUNTY).

2.5 Chart of Accounts

A Chart of Accounts must be maintained:

- The COUNTY recommends that CONTRACTORS use the same expenditure account titles on the monthly invoice submitted to the COUNTY.
- If the CONTRACTOR uses account titles which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- CONTRACTOR must consistently post transactions that are of a similar nature to the same account. For example, all expenditures for travel shall be posted to the account titled "travel" and not intermixed with other expenditure accounts.

2.6 Payroll Register

The COUNTY recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Unique code identifying each employee (e.g., employee number/ID)
- Salary or hourly wage
- Payment Record including:
 - Accrual Period
 - Gross Pay
 - Itemized Payroll Deductions
 - Net Pay Amount
 - Check Number

If a Payroll Register is not used, the information discussed above must be recorded in the Cash Disbursements Journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (e.g., FIT, FICA, FUTA, SIT, SIU), reporting, filing (e.g., 941, DE-7, W-2, W-4, and 1099s), and all applicable tax deposits.

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CONTRACTOR will ensure compliance with Internal Revenue Service guidelines to properly classify employees and independent contractors.

2.7 Invoices/Billings

Each CONTRACTOR must submit an invoice/billing at least monthly to report to the COUNTY the financial activity of the program(s) as required in the applicable Agreement.

3.0 Records

Adequate care must be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR'S accounting records or supporting documentation must be immediately reported to the COUNTY. CONTRACTOR must report, to the local law enforcement agency having jurisdiction, any act(s), which may reasonably be thought to constitute a crime, and/or which appear to have resulted in the destruction, damage, or alteration of any record subject to the provisions of this Handbook. CONTRACTOR must make their report to the local law enforcement agency within twenty-four hours of becoming aware of the acts which have resulted in the destruction, damage, or alteration of the record.

A copy of the resulting crime/incident report must be retained by the CONTRACTOR for a period of time under which the underlying records that were destroyed/damaged were required to be retained plus an additional three years, and must be retained for a longer period in the case of unresolved litigation or audit.

3.1 Retention

All accounting records (e.g., journals, ledgers), financial records, and supporting documentation must be retained for a minimum of three years after the termination of the CONTRACTOR'S Agreement or the date of submission of the final invoice, billing, or expenditure report, unless a longer retention period is prescribed by the Agreement or applicable laws and regulations, in which case the CONTRACTOR must comply with the longer retention period and all other retention requirements set forth in the Agreement or the applicable laws and regulations.

3.2 Encryption

CONTRACTOR must employ sufficient security measures to safeguard all COUNTY non-public information (e.g., confidential information including, but not limited to, the names and addresses of individuals, Social Security numbers, credit card information) that is electronically stored, used, and transmitted. Encryption standards must, at a minimum, be developed and implemented in accordance with the requirements prescribed by the COUNTY Agreement and COUNTY Board Policy 5.200.

3.3 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts, canceled checks, and other documentation, including electronic documentation clearly establishing the nature and the reasonableness of the expenditure and its relevance to the COUNTY program being contracted for are required to support an outlay of funds. If the CONTRACTOR is unclear as to the appropriate documentation that must be retained to support an expenditure, CONTRACTOR shall consult with the COUNTY before the expenditure is charged to the COUNTY. Unsupported or inadequately supported disbursements will be disallowed upon audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs.

Electronic documentation is permitted when the source documentation originated electronically. To the extent the source for electronic documentation is an original hardcopy document (e.g., PDF scans of original vendor invoices), CONTRACTOR shall retain the original source document for inspection by COUNTY. Photocopies (including scanned images) of invoices or receipts, any internally generated documents (e.g., vouchers, request for check forms, requisitions, canceled checks), and account statements alone do not constitute supporting documentation for purchases. COUNTY at its sole discretion may accept photocopies of supporting documentation in preference to the original documents based on the adequacy of the CONTRACTOR'S internal controls over electronic documentation and subject to any limitations imposed by the applicable funding source(s) (i.e., federal and State agencies).

CONTRACTORS must provide acceptable supporting documentation for all expenditures. For example, for the following categories of expenditures, acceptable supporting documentation may include, but not be limited to:

Payroll

- Timecards and attendance records signed and dated by the employee and the employee's supervisor (in ink or electronically) certifying the accuracy and approval of the reported time.
- Time distribution records by program, accounting for total work time on a daily basis for all employees.
- Records showing actual expenditures for Social Security and unemployment insurance.
- State and federal quarterly tax returns, federal W-2 forms, and federal W-4 forms.

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Personnel Files

- Documentation supporting approved employee pay rates.
- Proof of employees having the required educational, practical experience, and license(s)/certification(s) for their position.
- Criminal record clearances as required.

Contracted/Consultant Services

- Contracts detailing the nature and scope of services to be provided, and the method and rate of compensation (e.g., cost reimbursement, fixed fee, fee for service, rate per hour) for each service.
- Itemized invoices or other documentation detailing the nature of services provided.
- Time and attendance records or other documentation detailing when services were provided.
- Travel vouchers detailing purpose, time, and location of travel reimbursed by CONTRACTOR.
- Purchase orders and invoices for supplies reimbursed by CONTRACTOR.
- Copies of all completed federal Form 1099s, establishing that all payments to contractors/consultants were reported timely to federal and State taxing agencies.

Travel

- Travel policies of the CONTRACTOR (written).
- Travel expenditure vouchers.
- For travel related to conferences, meetings, seminars, symposiums, workshops, and other similar events, CONTRACTOR shall at a minimum, retain literature, including, but not limited to, agendas and handouts detailing the purpose of the event, as part of the CONTRACTOR'S documentation of the propriety of the travel expenditure.
- Itemized receipts for all travel expenditures (e.g., lodging for approved out-of-town travel, airfare, car rentals, ground transportation, parking)

Note: Reimbursement for actual receipts or per diem rates for lodging and meal expenditures must not exceed the COUNTY'S maximum reimbursement rate for employees. CONTRACTOR shall obtain the COUNTY'S maximum reimbursement rate for each fiscal year from the COUNTY before travel expenditures are charged.

Vehicle Expenditures

- Invoices/receipts for repairs, maintenance, fuel, etc.
- Vehicle registration card.
- Vehicle title.
- Insurance policy.

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- Purchase or financing agreement.
- Vehicle lease or rental agreement.
- For vehicles owned/leased by the CONTRACTOR and personal vehicles that are primarily used for business purposes, a vehicle mileage log must be maintained establishing the extent to which the vehicles are used for business versus non-business purposes. The mileage log must identify:
 - Trip dates
 - Origin and destination addresses of the trip
 - Purpose of the trip and how it relates to the Agreement services
 - Beginning and ending odometer readings and the resulting mileage for all trips (including non-business trips) to account for 100% use of the vehicle.
- For personal vehicles that are not primarily used for business purposes, documentation to support reimbursements to employees for mileage and parking must include:
 - Date and time of travel
 - Origin and destination addresses of the trip and the resulting mileage
 - Purpose of the trip and how it relates to the Agreement services
 - Rates claimed (Note: Reimbursement rates for mileage must not exceed applicable federal guidelines.)
 - Parking and toll charges reimbursed
 - Itemized receipts for reimbursed parking and toll charges

All supporting documentation must include sufficient information to identify the vehicle the expenditures are related to, which shall include, but not be limited to, vehicle make and model, vehicle license number, and vehicle identification number.

CONTRACTOR must only charge the COUNTY for vehicle expenditures (e.g., gasoline, repairs/maintenance, insurance, depreciation) to provide COUNTY Agreement services. CONTRACTOR must pro-rate vehicle expenditures based on vehicle usage to exclude the portion of expenditures related to non-COUNTY and non-business use (i.e., non-COUNTY program services, personal use, employee transportation to and from work).

Operating Expenditures (e.g., utilities, office supplies, equipment rentals)

- Bona fide contracts or lease agreements, if applicable.
- Invoices and receipts detailing the cost and items purchased will constitute the primary supporting documentation.
- Documentation acknowledging the receipt of purchased goods and services (e.g., itemized delivery confirmations, stock received reports, packing slips, or other documentation) signed by the employee(s) who verified the good/services were approved and received.

Outside Meals

- Itemized receipts and/or invoices for all meals.
- Documentation detailing the nature and business purpose of each meal.
- Documentation identifying the participants of each meal.

Loans (including, but not limited to, loans to the CONTRACTOR from employees and/or related parties)

- Written loan agreement approved by the CONTRACTOR'S Board of Directors.
- Documentation showing that loaned funds were deposited into a CONTRACTOR bank account.
- Documentation showing that loan proceeds were actually used for COUNTY programs.

To the extent that the loan agreement provides for the payment of interest, the interest may not be an allowable expenditure under the Agreement. If the payment of interest is allowable, interest must not be accrued at a rate which exceeds the COUNTY Treasury Rate plus one percent.

3.4 Payments to Affiliated Organizations or Persons (i.e., Related Party Transactions)

Prior to making payments to affiliated organizations or persons (i.e., related party transactions), CONTRACTOR must complete and submit to the COUNTY a disclosure statement identifying the nature of the relationship with the affiliated or related organizations/persons.

CONTRACTOR must not make payments to affiliated organizations or persons for program expenditures (e.g., salaries, services, rent) that exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs for such expenditures. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through a legal organization (i.e., corporation, partnership, parent company, subsidiary organization, association) will be considered affiliated for purposes of this Agreement. COUNTY shall be solely responsible for determining affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed upon audit to the extent the payments exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs (fair market value) for services rendered or items purchased.

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Documentation must be maintained to support the actual costs of the affiliated or related organizations/persons and the reasonable costs for services rendered or items purchased, and shall include, but not be limited to:

- Financial records (e.g., general ledgers, payroll registers, labor distributions, invoices/receipts) of the affiliated or related organizations/persons.
- Price and rate quotations for the same services/goods from an adequate number of independent and qualified sources.
- Cost and price analysis.
- Vendor selection analysis.

3.5 Filing

All relevant supporting documentation for reported revenues and program expenditures must be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- Checks – Numerically
- Invoices – Vendor name and date
- Vouchers – Numerically
- Receipts – Chronologically
- Timecards – Pay period and alphabetically

3.6 Referencing

Accounting transactions posted to the CONTRACTOR'S books must be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the CONTRACTOR'S books be cross-referenced to the supporting documentation as follows:

- Invoices – Vendor name and date
- Checks – Number
- Vouchers – Number
- Revenue – Receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be cross-referenced to the check issued for payment.

4.0 Donations and Other Sources of Revenue

For CONTRACTORS that use donations and/or other sources of revenue (e.g., grants, sales of supplies/services, rental income, miscellaneous revenue, fees) to pay for expenditures related to a COUNTY service, the CONTRACTOR must maintain accounting records that clearly identify the specific expenditures that were paid for with the other source(s) of revenue.

Restricted donations and other sources of revenue, earmarked specifically for the Contract, must be utilized on allowable contract expenditures. Similarly, income from investments (e.g., interest or dividends), where the source of the amount invested is COUNTY program funds, shall be deemed restricted revenue that must be utilized on allowable expenditures, or returned to the COUNTY as specified under the attached Agreement.

5.0 Audits

For routine audits and inspections, CONTRACTOR will make available to COUNTY representatives, upon request, during working hours, during the duration of the contract and for a period of three years thereafter (unless a longer period is specified under the Agreement, or by applicable laws and regulations), all of its books and records, including, but not limited to, those which relate to its operation of each project or business activity, which is funded in whole or part with governmental monies, whether or not such monies are received through the COUNTY. All such books and records shall be made available upon request at a location within or near Los Angeles County.

In general, audits will normally be performed during normal business hours, Monday through Friday. However, COUNTY retains the right to inspect and conduct investigations of CONTRACTOR'S program/fiscal operations and contract compliance at any time, without prior notice to CONTRACTOR seven days a week, when the COUNTY has information which it, in its sole discretion, deems justifies such an unannounced visit, inspection, audit or investigations.

6.0 Single Audit Requirements

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audit Requirements" states that certain organizations receiving federal awards, including pass-through awards, have annual single audits. Details are contained in the Uniform Guidance.

A copy of any single audit report must be filed with the COUNTY upon request or within the timeframes prescribed by the COUNTY Agreement.

7.0 Subcontracts

CONTRACTOR must not subcontract services without the prior written consent of the COUNTY.

CONTRACTOR must provide COUNTY with copies of all executed subcontracts and must be responsible for the performance of their subcontractors. At the sole discretion of COUNTY, CONTRACTOR may submit an electronic copy of executed subcontracts in preference to a hardcopy.

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CONTRACTOR must monitor the activities of their subcontractors as necessary, but no less than annually, to ensure governmental monies are used for their intended purposes, compliance with applicable federal, State, and COUNTY requirements, and performance goals are achieved. The monitoring shall include, but is not limited to:

- Performing reviews of the subcontractor's fiscal and program operations.
- Performing reviews of required financial and performance reports.
- Verifying all subcontractors are audited as required.
- Following-up and ensuring appropriate corrective action is taken on all deficiencies pertaining to the subcontract.

B. INTERNAL CONTROLS

Internal controls are processes designed to provide reasonable assurance regarding the achievement of the CONTRACTOR'S objectives relating to operations, reporting, and compliance, and should safeguard the CONTRACTOR'S assets from misappropriations and misuse. Each CONTRACTOR must prepare necessary written procedures establishing internal controls for its personnel's use. The CONTRACTOR must instruct all personnel in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1. Separate Fund or Cost Center

All contract revenues must be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable in the accounting records through the use of cost centers or separate accounts.

1.2 Manual Deposits

When collections are received by mail, two employees should be assigned to open the mail and list all collections received on a check remittance log.

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts and the receipts/check remittance log shall be reconciled to the amount being deposited.

Voided receipts shall be retained and the sequence of receipts issued/voided shall be periodically accounted for.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt or as soon as reasonably possible.

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Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first. If CONTRACTOR can establish that a larger limit is warranted, CONTRACTOR may request authorization from COUNTY to increase the limit to an amount greater than \$500.

Deposit slips shall be retained in an organized manner, and shall contain sufficient reference information for comparison to the Cash Receipts Journal and individual receipts, if applicable. A recommended best practice is to retain photocopies of the deposit slip and the COUNTY warrants reflected on each deposit slip, or record the individual warrant numbers onto the deposit slip.

1.3 Separation of Duties

An employee who does not handle cash shall record all cash or check receipts in the CONTRACTOR'S accounting records.

1.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling, or check writing responsibilities.

Monthly bank reconciliations should be prepared and reviewed by management for appropriateness and accuracy within 30 days of the bank statement date. The bank reconciliations should be signed and dated by both the preparer and the reviewer. CONTRACTOR should resolve reconciling items timely. See **Exhibit A** for a suggested bank reconciliation format.

2.0 Disbursements

2.1 General

All disbursements (other than those made for petty cash purchases), shall be made using a CONTRACTOR check, electronic funds transfer, or debit/credit card.

Blank check stock must be secured and accounted for to preclude unauthorized use.

Checks shall NOT be payable to "cash" or signed in advance. Similarly, electronic debits to "cash" or withdrawals of cash shall not be made. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature is recommended on all checks over \$500, unless otherwise specified in the contract. In instances where the payee is also a signor on the check, the disbursement shall be reviewed and approved by a higher-level employee or Board member who shall also sign the check.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in the contract.

Voided checks shall be marked void. If paper checks are used, the signature block must be cut out. Voided checks must be maintained with the canceled checks.

Returned or undelivered checks shall be canceled regularly, but no less frequent than monthly.

Unclaimed checks shall be canceled periodically, but no less frequent than every six months.

All supporting documentation shall reference the payment made for the expenditure (e.g., check number, transaction number for an electronic funds transfer or credit card payment) and marked "paid" or otherwise canceled to prevent duplicate payments or reuse.

Disbursements without adequate supporting documentation will be disallowed upon audit.

2.2. Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing checks must examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

Petty cash must NOT be used as a substitute for normal purchasing and disbursement practices (i.e., payment by check).

A CONTRACTOR may establish a petty cash fund up to \$500 to pay for **small** incidental expenditures incurred (e.g., postage due, parking meters, small purchases of office supplies) and may establish multiple petty cash funds when appropriate (i.e., petty cash fund for each location where services are rendered). The CONTRACTOR must obtain written approval from the COUNTY to establish a single petty cash fund greater than \$500.

Petty cash disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased and the employee making the purchase. In the event that external supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, fees, etc., then some written documentation shall be maintained and approved by a supervisory employee not associated with the transaction.

The petty cash fund must be maintained on an imprest (fixed) basis.

A check should be drawn to set up the fund and to periodically replenish the fund up to the imprest amount. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

A petty cash log shall be maintained for each petty cash fund to track the usage and replenishment of petty cash. Petty cash logs should be reviewed on a monthly basis by a higher-level employee not having responsibilities over the respective petty cash fund to ensure petty cash funds are being used for their intended purposes. See **Exhibit B** for a suggested petty cash log format.

There should be a separate petty cash fund custodian assigned for each petty cash fund established. The petty cash fund custodian should not have any other cash handling responsibilities (i.e., sign checks).

The petty cash fund custodian will be responsible for maintaining and disbursing the petty cash funds and requesting replenishment of the fund up to its imprest amount when necessary.

Each day the petty cash fund is used, the petty cash fund custodian should reconcile the petty cash fund amount to the cash-on-hand, receipts/invoices for which replenishment has not yet been requested, and replenishment requests in process, but not yet received.

Petty cash must be secured at all times in a locked safe, file cabinet, or cash drawer. Access to the petty cash fund should be limited to the petty cash fund custodian and one other employee in case of absence or emergency.

Surprise cash counts of each petty cash fund shall be conducted periodically, but no less than quarterly, to ensure the petty cash fund is being maintained as required. The cash counts should be conducted by a higher-level employee not having cash handling responsibilities over the specific fund being counted. Documentation should be maintained to support each cash count conducted and should be signed and dated by the employee conducting the cash count.

2.4 Credit Cards

Credit cards issued in the CONTRACTOR'S name must be adequately safeguarded and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

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The use of an employee's personal credit card on behalf of the CONTRACTOR for authorized and necessary items should be limited to purchases where established purchasing and disbursement practices are not suitable.

All credit card disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased, the employee making the purchase, and the justification for the purchase. ***Credit card statements alone are not sufficient support for credit card purchases.***

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate the total hours worked each day by program and the total hours charged to each of the CONTRACTOR'S programs. ***Time estimates alone do not qualify as support for payroll expenditures and will be disallowed upon audit.***

All timecards and time reports must be signed and dated by the employee and the employee's supervisor (in ink or electronically) to certify the accuracy and approval of the reported time. To the extent the CONTRACTOR utilizes electronic timecards and time reports, the CONTRACTOR'S electronic time reporting system must also have sufficient controls to prevent unauthorized alteration/changes to electronic timecards and time reports.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals. Any automated personnel and payroll records which contain confidential information, such as, but not limited to, employee addresses and medical information, should be adequately encrypted using the minimum encryption standards described in Section A.3.2 to prevent unauthorized access and use.

Personnel and payroll records shall include, but are not limited to, the following:

- Employee's authorized salary rate
- Employee information sheet (e.g., employee contact information, emergency contact information)
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license(s))
- Performance evaluations
- Criminal record clearance (if required)

- Citizenship Status
- Benefit balances (e.g., sick time, vacation)
- Health Clearances (if required)

Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

3.3 Incentive Compensation

Incentive compensation paid to employees should be reasonable, based on a measurable performance metric (e.g., cost reduction, efficient performance, suggestion awards, safety awards), and in accordance with the CONTRACTOR'S established policy or agreement with employees. The CONTRACTOR must maintain documentation to support incentive compensation payments to employees.

3.4 Limitations on Positions and Salaries

The CONTRACTOR shall not pay any salaries higher than those authorized in the COUNTY Agreement or by the applicable funding source(s) (i.e., federal and State agencies).

If an employee serves in the same or dual capacities under more than one agreement or program, time charged to the contracts or programs taken as a whole may not exceed 100% of the employee's actual time worked.

Salaried employees shall be paid a salary that corresponds with the employee's work schedule. For example, a half-time salaried employee performing the same or similar work should be paid proportionately less than a full-time salaried employee.

Payroll expenditures for employees working on more than one Agreement, program, or activity must be equitably allocated in accordance with the applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies) requirements.

The CONTRACTOR must not charge the COUNTY for any retroactive salary adjustments made to any employee without written approval from the COUNTY.

3.5 Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll transactions, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, must be approved in writing by authorized persons independent of payroll responsibilities.

4.0 Capital Assets

Capital assets are tangible assets of significant value having a useful life that extends beyond the current year and are broadly classified as land, buildings and improvements, and equipment. All other assets with an acquisition cost of \$5,000 or more shall be capitalized.

Acquisition cost means the net invoice unit price of an item, including shipping costs and sales taxes, the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

Capital asset purchases shall be approved by the CONTRACTOR'S Board of Directors or their authorized representative.

Capital assets shall not be ordered or purchased during the last three months of the term of the CONTRACTOR'S Agreement with the COUNTY, unless the acquisition is pre-approved by the COUNTY.

4.1 Acquisition

As specified in the contract, CONTRACTOR must submit a purchase versus lease analysis to COUNTY and obtain written authorization before making any capital asset purchase where the acquisition cost is \$25,000 or more, and all, or a portion of the cost of the capital asset will be charged to the COUNTY contract.

4.2 Non-Capital Asset Equipment

Non-capital asset equipment is defined as equipment containing COUNTY non-public information, or equipment with a unit cost of more than \$250 but less than \$5,000, a useful life over one year, and can generally be easily carried or moved; especially by hand (e.g., personal computers, related peripherals, fax machines, and other portable assets).

4.3 Asset Identification and Inventory

All fixed assets including capital and non-capital asset equipment, purchased in full, or in part, with contract funds are to be used for the benefit of the contract and should be appropriately tagged.

Each CONTRACTOR must maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and source(s) of funding.

An inventory of all fixed assets must be conducted at least once every two years to ensure that all fixed assets are accounted for and maintained in proper working order. Documentation must be maintained to support the inventory conducted.

4.4 Depreciation and Use Allowance

Unless otherwise approved by the COUNTY, compensation for the use of buildings and other capital improvements may be made through depreciation, or a use allowance:

- The computation of depreciation/use allowance is based on the acquisition cost of the asset(s).
- The computation should exclude the cost of:
 - Land
 - Buildings and equipment donated by governmental agencies
 - Buildings and equipment contributed by the CONTRACTOR to satisfy funding matching requirements
- For depreciation, an appropriate useful life must be established for the asset(s), which considers factors such as the nature of the asset used, susceptibility to technological obsolescence, etc.
- Appendix B to IRS Publication 946, “How to Depreciate Property,” contains guidelines for establishing an asset’s useful life.
- A use allowance is computed as an annual rate that may not exceed an annual rate of two-percent of the acquisition cost if the asset is a building or improvement. A use allowance in excess of the ceiling percentage must be justified by the CONTRACTOR.

4.5 Rental Costs of Buildings and Equipment

Rental costs are allowable to the extent that the rates are reasonable considering rental costs of comparable property, market conditions in the area, condition of the property being leased, etc.

- Under a “sale and leaseback” arrangement, rental costs would be allowable up to the amount that would be allowed if the CONTRACTOR had continued to own the property. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.
- Under a “less-than-arms-length” lease, costs are only allowable up to the amount that would be allowable had title to the property vested in the CONTRACTOR. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.

4.6 Security

Physical security must be adequately maintained over fixed assets to prevent the misuse or theft of COUNTY property.

4.7 Property Management

The CONTRACTOR must assume responsibility and accountability for the maintenance of all fixed assets purchased, leased, or rented with contract funds.

The CONTRACTOR must maintain documentation to support all cases of theft, loss, damage, or destruction of fixed assets purchased with contract funds. The documentation shall, at a minimum, contain item identification, recorded value, facts relating to loss, and, where appropriate, a copy of the law enforcement report. In cases where the loss resulted from suspected criminal activity (e.g., theft, vandalism, arson), the incident must be reported to the local law enforcement agency with jurisdiction over the location of the suspected crime.

The supporting documentation, including a copy of any related crime/incident reports, must be retained by the CONTRACTOR for a period of time under which the underlying records were destroyed or damaged were required to be retained plus an additional three years, and shall be retained for a longer period in the case of unresolved litigation or audit.

The CONTRACTOR must promptly report in writing to the COUNTY, and provide copies of all relevant supporting documentation described above, all cases of theft, loss, damage, or destruction of:

- Fixed assets purchased with contract funds with an acquisition cost or aggregate costs of \$950 or more.
- Fixed assets that electronically stored, used, and/or transmitted COUNTY non-public information.

CONTRACTOR must dispose/return to the COUNTY all fixed assets in accordance with the Agreement.

5.0 Bonding – All officers, employees, and contractors who handle cash or have access to the CONTRACTOR’S funds (e.g., prepare checks) shall be bonded.

6.0 Investments – COUNTY program funds may not be utilized for investments where there is a risk of loss.

C. COST PRINCIPLES

1.0 Policy

It is the intent of the COUNTY to provide funds for the purpose of the CONTRACTOR to provide the services required by the Agreement. CONTRACTOR must use these funds on actual expenditures in an economical and efficient manner, and ensure they are reasonable, proper,

and necessary costs of providing services and allowable in accordance with the applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies) requirements.

1.1. Limitations on Expenditures of Program Funds

CONTRACTOR must comply with the Agreement and applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies). The Uniform Guidance defines direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of expenditures.

If a CONTRACTOR is unsure of the allowability of any particular type of expenditure, the CONTRACTOR should request advance written approval from the COUNTY prior to incurring the expenditure.

1.2 Expenditures Incurred Outside the Agreement Period

Expenditures charged against program funds may not be incurred prior to the effective date of the Agreement or subsequent to the Agreement termination, or expiration date. Similarly, current period expenditures related to events or activities that occurred prior to the effective date of the Agreement may not be allowable. For example, legal costs incurred prosecuting or defending a lawsuit stemming from events which occurred during a period not covered by a valid Agreement between CONTRACTOR and COUNTY are not allowable.

1.3 Budget Limitation

Expenditures must not exceed the maximum limits in the contract budget.

1.4 Unspent Program Funds

CONTRACTOR must return any unspent program funds to the COUNTY, unless otherwise permitted by the contract. In addition, the COUNTY will determine the disposition of unspent program funds upon termination of the Agreement.

1.5 Necessary, Proper and Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

2.0 Allocable Expenditures

For CONTRACTORS that operate programs or provide services in addition to the services required under contract, the CONTRACTOR must allocate expenditures to all benefiting programs, activities, and funding sources using an equitable basis. Unallowable activities (e.g., fundraising or investing) must also receive an appropriate allocation of costs.

In accordance with the applicable sections of the Uniform Guidance, CONTRACTORS must define their allocable expenditures as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible. ***Actual conditions must be taken into account when selecting the method and/or base to be used to allocate expenditures to ensure expenditures are allocated equitably to each benefiting program, activity, and funding source.***

The CONTRACTOR must maintain documentation for allocated expenditures (e.g., timecards, time summaries, calculation of full-time equivalents, square footage measurements).

Under no circumstances shall allocated expenditures be charged to an extent greater than 100% of actual expenditures or the same expenditure be charged both directly and indirectly.

2.1 Direct Costs

Unless otherwise set forth in this contract, or required by the funding source(s), direct costs are defined as those costs that can be identified specifically with a particular final cost objective (e.g., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on the employees' timecards and the payroll expenditures should be treated as direct charges and distributed on the basis of the actual recorded hours spent on each program or using another equitable basis based on actual conditions.

Shared costs (i.e., costs that benefit more than one program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating shared costs as direct costs:

- Number of direct hours spent on each program
- Full-time equivalents for each program
- Square footage occupied by each program
- Other relevant and equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or shared purposes and cannot be readily identified with a particular final cost objective. Examples of indirect costs include the salaries and benefits of executive officers and administrative personnel (e.g., accounting, human

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resources, information technology), depreciation and use allowances for administrative buildings, and other costs related to the general administration of the organization. Only expenditures that are allowable in accordance with the applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies) shall be included as indirect costs and allocated to the COUNTY program(s).

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs, excluding unallowable costs that do not represent an activity of the CONTRACTOR (e.g., fines, penalties, bad debts), capital expenditures, and other distorting items such as significant one-time expenditures, or subcontractor payments

2.3 Acceptable Indirect Cost Allocation Methods

The Uniform Guidance describes the following allowable methods for allocating and charging indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate
- De minimis rate

CONTRACTOR must ensure the indirect cost allocation methodology chosen is clearly described in their Cost Allocation Plan and is used consistently to allocate indirect costs.

Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example:

Agency-wide indirect costs	\$250,000
Less: Capital Expenditures	<u>10,000</u>
Allocable indirect costs	240,000
Total Agency-wide direct salaries	\$1,000,000
Indirect cost rate ($\$240,000/\$1,000,000$)	24%
Program direct salaries	\$100,000
Program indirect costs ($24\% \times \$100,000$)	<u>\$24,000</u>

Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenditures are treated as direct costs. Shared costs, such as depreciation, facility and equipment rentals, facilities maintenance, telephone, and other similar expenditures, are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenditures, are then allocated using the simplified allocation method previously discussed.

Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

Negotiated Indirect Cost Rates

CONTRACTORS have the option of negotiating an indirect cost rate or rates for use on all their federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency with the largest dollar value of Federal awards funded to the organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR must submit a copy of the approval letter to COUNTY upon request.

De Minimis Rate

A CONTRACTOR that does not have a current negotiated (including provisional) rate may elect to charge indirect costs based on a de minimis rate of 10% of modified total direct costs. If elected, this rate may be used indefinitely, but must be used consistently to charge indirect costs to all programs and activities.

Modified total direct costs includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

2.4 Indirect Cost Limitations

CONTRACTOR must ensure indirect costs charged to the COUNTY program are within any maximum limitations established by statutory requirements. Any amounts charged in excess of maximum limitations will be disallowed upon audit unless otherwise allowed and approved by the applicable COUNTY, State, or federal agency.

2.5 Cost Allocation Plan

CONTRACTOR must submit an annual Agency-wide Cost Allocation Plan as required by the COUNTY agreement and when requested by COUNTY. The Cost Allocation Plan must be prepared in accordance with COUNTY instructions and the applicable sections of the Uniform Guidance, and include the following information:

1. CONTRACTOR general accounting policies:
 - Basis of accounting
 - Fiscal year
 - Method for allocating indirect costs (e.g., simplified, direct, multiple, negotiated rate, de minimis rate)
 - Indirect cost rate allocation base (e.g., direct salaries and wages, direct costs)
2. Identify the CONTRACTOR'S direct, shared, and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

D. UNALLOWABLE COSTS

The Uniform Guidance addresses the allowability of a variety of costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions
- Contributions and donations
- Fines and penalties (e.g., including, but not limited to, NSF Check Fees, Traffic Citation Fees)
- Fundraising activities
- Interest (unless expressly allowed by federal guidelines)
- Losses on other awards

E. OVERPAYMENTS

If upon audit, or at any time during the Agreement year, it is determined that invoices submitted to the COUNTY which were used as a basis for payments to the CONTRACTOR were inaccurate, COUNTY shall determine the total overpayment and require the CONTRACTOR to repay COUNTY. The COUNTY may withhold payments from CONTRACTOR'S future payments for any amounts not returned to the COUNTY or credited to the Contract unless otherwise prohibited by State or federal regulations.

F. GOVERNANCE

OVERVIEW

Large numbers of nonprofit corporations, organized for public benefit, receive public funds through contracts with Los Angeles County. Many County service contracts support key public initiatives, including protecting children, providing health care and foster employment, and reducing the effects of mental impairments and substance abuse.

Nonprofit organizations doing business with Los Angeles County must conduct their work in a manner consistent with their charitable mission and the public purposes embodied in County contracts. This demands that nonprofit agency governing boards be conscious of their fiduciary responsibilities in providing oversight and making decisions.

Directors, officers, and employees of nonprofit corporations with which Los Angeles County contracts shall not:

- Permit or benefit from self-dealing transactions (unless permitted by law), or unreasonable compensation
- Misuse or dissipate scarce public resources

1.0 Independence

It is recommend that Nonprofit agencies doing business with the County of Los Angeles have a governing board of at least 5 directors (however, under no circumstances shall a governing board have less than 3 directors), a majority of whom (1) have not been employed by the Nonprofit within 5 years before their election, (2) have no direct or indirect material financial interest in the organization, or any other relationship that could create a conflict of interest on the part of the director(s). A financial interest may exist for reasons of business, investment, or family relationship (including a director's brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law).

"Financial interest" means an actual or potential ownership, investment, or compensation arrangement in or with any entity or individual with which the

organization has, or is negotiating, a transaction or arrangement. The term "independent", when used to describe Directors who serve on the oversight committees described in paragraph 3.0 refers to persons meeting the requirements of this paragraph.

2.0 Oversight Mechanisms

An organization's governing board shall provide for its governance in accordance with the following:

- Adopt and disclose the organization's governance standards including director qualifications, responsibilities, and compensation.
- Adopt and disclose a code of business conduct and ethics for directors, officers, and employees, and promptly disclose to the County any waivers of the code affecting organization directors, officers, or employees.
- Be familiar with the terms and conditions of all the Organization's County contracts. No less than annually, the board should review the Organization's compliance with contract provisions, particularly including insurance, internal control, federal and State reporting and payment requirements for payroll withholding, and report deviations to the County oversight department.

An organization's governance guidelines and code of ethics shall provide means to annually distribute to and obtain from directors, officers and employees written acknowledgments of their adherence to the organization's governing standards. They must incorporate a mechanism for disclosing and addressing possible conflicts of interest. They must provide for appropriate record-keeping, particularly of transactions and arrangements required to be reviewed by the governing board and where significant organization resources are expended by or for officers, directors and employees.

An organization's governance guidelines and code of ethics shall provide for "just and reasonable" compensation and benefits consistent with the compensation amount or guidelines established in the Organization's contract(s) with the COUNTY. Compensation and benefits of directors, officers, and employees should be comparable to agencies of similar size and function (See Section B.3.3, "Limitations on Positions and Salaries"). No employee may receive compensation or benefits for more than one Organization job. For example, the CEO cannot receive compensation or benefits for the job of CEO and another job such as program manager, etc.

3.0 Oversight Committees

An organization's governing board shall establish committees having the following characteristics, compensation, and duties.

Nominating Committee

The Board shall establish a nominating committee composed entirely of independent directors to consider new appointments to the Board.

Compensation and Benefits Committee

The Board shall establish a Compensation and Employee Benefits Committee composed entirely of independent directors to establish compensation and benefits for the Organization's Chief Executive Officer, President, Chief Financial Officer, and Treasurer.

Audit Committee

The Board shall establish an Audit Committee of no fewer than three directors, all of whom must be independent, and one of whom shall have financial experience. In no event shall employees, including, but not limited to the president, chief executive officer, the treasurer, or chief financial officer serve on the Audit Committee.

Annual Audit Duties:

- If the CONTRACTOR expends federal awards in excess of \$750,000 in a year, the Audit Committee will recommend an independent auditor to perform the annual single audit of the CONTRACTOR'S financial records. The audit must be performed in accordance with Generally Accepted Government Auditing Standards and comply with the Single Audit Act and Uniform Guidance.
- The Audit Committee must negotiate the independent auditor's compensation on behalf of the governing Board, oversee its work, and resolve disagreements between management and auditors regarding financial reporting.
- The Audit Committee must confer with the auditor to review the audit and decide whether to accept it, satisfy itself that the financial affairs of the nonprofit organization are in order, and ensure that the COUNTY receives a copy of the annual audit report and all other audits, reviews, and other third-party reports.

Additional Audit Committee Duties

The Audit Committee must:

- Establish procedures for receiving and addressing complaints regarding accounting, internal controls, and auditing matters.
- Monitor and take steps to ensure proper management response to major performance or fiscal deficits, such as the expressed concerns or claims of major creditors.

- Pre-approve all audit and non-audit services provided by the auditor. Non-audit services are defined as any professional services provided other than those provided in connection with an audit or review of the financial statements of the Organization. Following is a list of non-audit services for which the independent auditor cannot perform unless the firm follows the independence standard in the Yellow Book issued by the U.S. Comptroller General:
 - ✓ Bookkeeping or other services related to the accounting records, or financial statement of the audit client;
 - ✓ Financial information systems design and implementation;
 - ✓ Internal audit outsourcing services;
 - ✓ Management functions or human resources;
 - ✓ Investment adviser or investment banking services;
 - ✓ Legal services and expert services unrelated to the audit.

G. MISCELLANEOUS REQUIREMENTS

1.0 Insurance

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the Agreement. CONTRACTOR must notify COUNTY when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance must include an endorsement naming the COUNTY as an additional insured.

2.0 Activity

No funds, materials, property, or services contributed to the COUNTY or the CONTRACTOR under this Agreement shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

3.0 Reporting Fraud/Misconduct

CONTRACTORS are expected and required to report suspected fraud, waste, or misuse of public monies, and misconduct of COUNTY personnel to the Los Angeles County Fraud Hotline (Hotline). CONTRACTORS are also expected and required to report suspected fraud committed by their employees and subcontractors when that fraud affects their contract with the COUNTY. Reportable conditions include, but are not limited to:

- Requests for bribes/kickbacks/gratuities by COUNTY personnel.
- Favoritism/nepotism in the awarding of COUNTY contracts, or selection of vendors.
- Theft or misuse of any funds, resources, or equipment.

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Reportable conditions must be reported to the Hotline upon their discovery by CONTRACTOR. Failure to report the types of fraud/misconduct discussed above may be grounds for contract termination.

The reporting party may remain anonymous. Reports can be made via telephone, mail or by Internet to:

Online: www.fraud.lacounty.gov

Email: fraud@auditor.lacounty.gov

Toll Free: (800) 544-6861

U.S. Mail: County of Los Angeles
Department of Auditor-Controller
Office of County Investigations,
500 W. Temple Street, Suite 514
Los Angeles, CA 90012

Agency Name
Bank and Account #
For the Month Ended June 30, 202X

Balance Per Bank Statement		\$ 35,000.00
Add:	Deposit(s) in Transit	\$ 4,000.00
	Bank Service Charge	
	(erroneously posted -- to be reversed next month)	\$ 20.00 [1]
Less:	Outstanding Checks	
	#100	\$ 1,000.00
	#101	\$ 500.00
	#102	\$ 500.00
	Bank Posting Error (to be reversed next month)	<u>\$ (2,000.00)</u>
		<u>\$ (120.00) [1]</u>
Adjusted Bank Balance		<u><u>\$ 36,900.00</u></u>

Balance Per Book		\$ 36,950.00
Less:	Bank Charges	\$ 40.00
	Post Error	\$ 10.00
		<u>\$ (50.00) [1]</u>
Adjusted Book Balance		<u><u>\$ 36,900.00</u></u>

Prepared by: _____ Date _____

Reviewed by: _____ Date _____

[1] Reconciling items.



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2016)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whose wages you did not withhold income tax.

However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note: You are encouraged to notify each employee whose wages for 2016 are less than \$53,505 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following.

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you give an employee a Form W-2 on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If you give an employee a substitute Form W-2, but it does not have the required information, you must notify

the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2017.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can download copies of the notice at www.irs.gov/formspubs. Or you can go to www.irs.gov/orderforms to order it.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

How Do My Employees Claim the EIC?

An eligible employee claims the EIC on his or her 2016 tax return. Even an employee who has no tax withheld from wages and owes no tax may claim the EIC and ask for a refund, but he or she must file a tax return to do so. For example, if an employee has no tax withheld in 2016 and owes no tax but is eligible for a credit of \$800, he or she must file a 2016 tax return to get the \$800 refund.

**COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM
CERTIFICATION FORM AND APPLICATION FOR EXCEPTION**

EXHIBIT G

The County’s solicitation for this Request for Statement of Qualifications is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program), Los Angeles County Code, Chapter 2.203. All Contractors, whether a contractor or subcontractor, must complete this form to either certify compliance or request an exception from the Program requirements. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the Contractor is excepted from the Program.

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:		
Solicitation For _____ Services:		

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program is Not Applicable to My Business

- My business does not meet the definition of “contractor,” as defined in the Program, as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exception will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II: Certification of Compliance

- My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, **or** my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

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**USER COMPLAINT REPORT
EMERGENCY SHELTER CARE SERVICES**

This form is to be used by DCFS users of Emergency Shelter Care services to report service discrepancies and/or failure to provide training as specified. This User Complaint Report must be delivered immediately to the County Program Manager for this Contract.

Date of Report:	DCFS User Name:
DCFS Office Address:	
Phone No.	E-mail Address:
Date(s) of Incident(s):	

Below, please check the appropriate boxes and explain each incident separately:

- ESC Contractor is not responding to messages.
- ESC Contractor is/was not available or not responding to messages.
- ESC Contractor making staff changes without notification to the County.
- Illegal or inappropriate behavior by ESC Contractor.
- ESC Contractor is/or has not been submitting reports or maintaining records as required.
- ESC Contractor not complying with the quality assurance requirements as specified in the Contract.
- Other (describe):

CONTRACT INVESTIGATION, MONITORING, AND AUDIT REMEDIES AND PROCEDURES

These internal policies and procedures are attached to the Foster Care Placement Services (FCPS) Contracts to inform CONTRACTORS of Department of Children and Family Services' (DCFS) and the Probation Department's (Probation) investigation, monitoring, and audit remedies and procedures. These policies and procedures are subject to revision by DCFS and the Probation, upon 30 days prior written notice to CONTRACTOR (which will not require a contract amendment), and DCFS and Probation may vary from these protocols and procedures when such variance is required to protect the health and safety of the children, except that all Do Not Refer (DNR) and Do Not Use (DNU) actions must be approved by DCFS' Director or the Probation's Chief Probation Officer or his or her Deputy Director level designee. Such variance may not be arbitrary and capricious, unreasonable, or discriminatory.

DCFS and Probation are responsible for monitoring and investigating, as a whole, all facilities licensed by Community Care Licensing Division (CCLD) to provide out-of-home care when there are allegations of child abuse, neglect or exploitation, or for administrative, programmatic or fiscal non-compliance.

During the normal course of its compliance monitoring or as the result of an investigation, DCFS or Probation may take action, when necessary, to protect placed children in these facilities, including requesting immediate corrective action, placing the CONTRACTOR on Hold, Administrative Hold, DNR, or DNU status. Staff may recommend a corrective action plan, Hold, Administrative Hold, DNR, or DNU Status, regardless of whether law enforcement or CCLD take similar action.

The County of Los Angeles Auditor-Controller is also responsible for completing fiscal review audits of CONTRACTORS. Fiscal review audit findings are not addressed in this Exhibit N, except to the extent discussed below or specifically referenced in other parts of the Contract. Nothing in this paragraph shall prevent the COUNTY from relying on the findings of the Auditor-Controller as a basis for imposing any of the Administrative Remedies provided below.

A. Administrative Remedies

DCFS and Probation may utilize one or more of the following actions in response to findings uncovered in the normal course of monitoring, as a result of investigations of abuse and neglect in out-of-home care, or in audits of program or fiscal contract requirements.

1. **Corrective Action Plan (CAP)** - When DCFS and Probation reasonably determines that a CONTRACTOR's noted non-compliance is correctable; a CAP shall serve as the CONTRACTOR's commitment to resolve noted areas or items of non-compliance.
2. **Administrative Hold** – After providing the CONTRACTOR with a 15 business day Notice of Intent to place CONTRACTOR on an Administrative Hold, if during which time the CONTRACTOR cannot demonstrate its resolution of the issues, COUNTY retains the right to temporarily suspend referrals of children to CONTRACTOR by placing CONTRACTOR on an Administrative Hold status, for up to a 45-day period. Administrative Holds are for administrative, programmatic, and fiscal non-compliance issues requiring immediate resolution that are not related to child safety.

Limited to an additional 45 days, an Administrative Hold status may be extended for extenuating circumstances beyond the control of DCFS and Probation, with the understanding that the

extension of the Administrative Hold status on a CONTRACTOR will require the approval of the Director or his Deputy Director level designee.

3. **Investigative Hold Status** - COUNTY retains the right to temporarily suspend referrals of children to CONTRACTOR by placing CONTRACTOR on Hold status, for up to a 45-day period at any time during an investigation, monitoring, or audit, when based on prima facie evidence, DCFS or Probation reasonably believes, in its sole discretion, that the CONTRACTOR has engaged in conduct which may jeopardize a minor or minors. Limited to an additional 45 days, a hold status may be extended for extenuating circumstances beyond the control of DCFS and Probation, with the understanding that the extension of Hold status on a CONTRACTOR will require the approval of the Director or his Deputy Director level designee. Hold Status may also be implemented when there has been a serious event that may implicate the CONTRACTOR, in issues of abuse or neglect; there is serious risk of abuse or neglect; or non-compliance with a significant administrative, fiscal, or programmatic requirement of the Contract for which the CONTRACTOR failed to take corrective action (when appropriate) pursuant to Part I, Section 16.0 of FCPS Contracts. A Hold request must be approved by a Division Chief, or Bureau Chief.
4. **Do Not Refer (DNR) Status** - DNR refers to the suspension of new DCFS and Probation placements when COUNTY reasonably believes, in its sole discretion, based on prima facie evidence that the CONTRACTOR has engaged in conduct which may jeopardize children; there has been a serious event that may implicate the CONTRACTOR in issues of abuse or neglect; there is serious risk of abuse or neglect; or in issues of non-compliance with significant administrative, fiscal, or programmatic requirements of this Contract for which the CONTRACTOR failed to take corrective action (when appropriate) pursuant to Part I, Subsection 16.1 of the FCPS Contracts, and as further described in Exhibit N. A DNR recommendation must be approved by a Deputy Director or a Deputy Chief.
5. **Do Not Use (DNU) Status** - DNU means that all Placed Children are removed from the CONTRACTOR's care within a specified period of time. No placement referrals may be made to the facility. DNU Status is used when COUNTY reasonably believes, in its sole discretion, based upon prima facie evidence, that the CONTRACTOR has engaged in conduct which may jeopardize children; there has been a serious event that may implicate the CONTRACTOR in issues of abuse or neglect; there is serious risk of abuse or neglect; or in issues of non-compliance with significant administrative, fiscal, or programmatic requirements of this Contract for which the CONTRACTOR failed to take corrective action (when appropriate) pursuant to Part I, Subsection 16.1 of the FCPS Contracts, and as further described in Exhibit N. A DNU recommendation must be approved by a Deputy Director or a Deputy Chief.
6. **Termination Hold** - In the event either COUNTY or CONTRACTOR terminates this Contract for convenience or for default, COUNTY shall suspend referrals of children to CONTRACTOR and remove, or cause to be removed, all Placed Children prior to the effective date of termination. In such an event, the procedures described in this exhibit will not occur. A Termination Hold must be approved by a Division Chief or a Bureau Chief.

B. Corrective Action Plan (CAP) Procedures

1. Any verbal notice that is given to CONTRACTOR to make needed corrections, requested by DCFS or Probation, that requires immediate action to resolve child safety issues (including safety of Non-Minor Dependents) shall include specific due dates, not to exceed beyond three calendar days. DCFS or Probation will provide written confirmation of the requested corrective action within three business days.

2. Where immediate action is not required, CONTRACTOR shall submit CONTRACTOR's proposed CAP to DCFS and Probation within 30 calendar days from receipt of the written confirmation from DCFS or Probation (Contractor Notification Letter); the timeframe depends on the nature of the non-compliance. The CONTRACTOR's CAP is reviewed and approved by DCFS and Probation within 15 business days.
3. The CAP must address each finding made in the Contractor Notification Letter. An appropriate CAP identifies the noted non-compliance, includes a brief statement of the estimated root-cause and includes the detailed action that will be implemented to correct the noted non-compliance. This is followed by an explanation of how the corrective action will be implemented; an explanation of what actions will take place to ensure that the corrective action is maintained; and the CONTRACTOR's plan to prevent subsequent repeated instances of the same non-compliance or inappropriate action. The CAP should include the requisite timeframes necessary for full implementation and identify the title(s) of the CONTRACTOR's staff that will insure the corrective actions are implemented. The CAP should also include the CONTRACTOR's internal Quality Assurance or Continuous Improvement Process to allow for an appropriate adjustment of CONTRACTOR's policies, procedures as necessary and when the CONTRACTOR will complete its internal root-cause analysis as necessary. A CAP addendum will be required if the CAP does not adequately address all issues.
4. DCFS or Probation (or together if necessary) will conduct follow-up to assess for implementation of CONTRACTOR's approved CAP. This may include where necessary, unannounced visits to the resource family approved home, the STRTP or ISFC sites, and if necessary to other CONTRACTOR locations to verify the corrective action implementation. Once the corrective action has been completed and verified, the CONTRACTOR is notified in writing.
5. A Hold, DNR, or DNU Status may be imposed at the discretion of DCFS or Probation, if the requested corrective action is not implemented and maintained or if the CONTRACTOR does not submit an approved CAP or CAP addendum within the agreed-upon timeframes.

C. Administrative Hold Procedures

1. COUNTY will notify CONTRACTOR in writing via electronic mail 15 business days prior to the effective date of DCFS or Probation's (or both) intention to place CONTRACTOR on an Administrative Hold for Administrative reasons not related to child safety. The COUNTY will notify the CONTRACTOR by phone call prior to sending out the Notice of Intent letter to place the CONTRACTOR on Administrative Hold.
2. The Contractor Notification Letter will also invite the CONTRACTOR to participate in a Review Conference and include a deadline for the CONTRACTOR's response (desire to participate) within 5 business days. Failure by the CONTRACTOR to respond by the deadline will result in default or waiver by the CONTRACTOR to proceed with the Review Conference.
3. During the Review Conference, the CONTRACTOR will meet with the Departments' representative at the Children's Administrator III, Assistant Regional Administrator, Probation Director, Probation Senior Director, or higher level, other COUNTY (DCFS, Probation, and Auditor-Controller) Departmental staff, or CCLD to discuss the investigative or administrative findings and to provide an opportunity for the CONTRACTOR to respond to the findings. The Review Conference will be held within 30 days of the date of the Contractor's Notification Letter of placement on Hold, DNR, or DNU Status, unless CONTRACTOR waives the time limit. The Review Conference is provided to ensure that the CONTRACTOR is afforded a process for

responding to allegations against them and for airing their grievances. One week prior to the then scheduled Review Conference, the CONTRACTOR has the right to present written evidence in the form of relevant declarations, affidavits, and documents and a written statement intended to be presented during the Conference. The CONTRACTOR may also request that DCFS or Probation interview any witnesses identified by the CONTRACTOR who have not already been interviewed.

4. Based on the reason (i.e., Fiscal, Contractual, Programmatic), an appropriate designated middle management level staff will conduct the Review Conference. DCFS, Probation, and CONTRACTOR will have the opportunity to present information related to the findings and each will be able to question the other with respect to each finding. Information provided by DCFS or Probation during the conference must be consistent with confidentiality laws. The CONTRACTOR may choose to seek authorization from the Juvenile Court to access additional documentation and information pertaining to the allegations, and to use such documentation and information during the Review Conference. The authorization or the approval must be in writing from the Court. DCFS and Probation will consider any new information presented in the CONTRACTOR's written statement and information presented during the Conference.

Consistent with the informal and non-adversarial atmosphere of the Review Conference, CONTRACTOR and COUNTY agree that only appropriate CONTRACTOR personnel and appropriate DCFS, Probation, Auditor-Controller, or CCLD personnel shall participate in the Review Conference; and legal representatives shall not be present at the Review Conference.

5. The Children's Administrator III, Assistant Regional Administrator, Director, or higher level staff will assess the information presented by the CONTRACTOR and make a final determination whether to withdraw the recommendation or to consult with others within DCFS or Probation with regard to the intended recommendation. This determination will be put in writing and provided to CONTRACTOR within 15 business days of the Review Conference.
6. Hold, DNR, or DNU Status may be lifted at any time that DCFS or Probation obtains information which leads them to believe that: 1) the original basis for imposing such status is no longer applicable, or 2) Hold, DNR, or DNU status is no longer appropriate. In instances where Hold, DNR, or DNU Status no longer applies, DCFS and Probation shall act as expeditiously as possible to remove CONTRACTOR from such status.

D. Investigative Hold, Do Not Refer (DNR), and Do Not Use (DNU) Procedures

1. COUNTY will notify CONTRACTOR in writing via electronic mail within 72 hours of DCFS or Probation's (or both) decision to place CONTRACTOR on an Investigative Hold, Hold, DNR, or DNU for reasons related to child safety. The COUNTY will notify the CONTRACTOR by phone call prior to sending out the written notice of placement on an Investigative Hold, Hold, DNR, or DNU. To the extent possible and reasonable, and without interfering with any law enforcement investigation, and consistent with statutes and regulations related to confidentiality, notification will include the reason(s) for the Hold, DNR, or DNU Status. The Contractor Notification Letter will also invite the CONTRACTOR to participate in a Review Conference and include a deadline for the CONTRACTOR's response (desire to participate) within 5 business days. Failure by the CONTRACTOR to respond by the deadline will result in default or waiver by the CONTRACTOR to proceed with the Review Conference.
2. The Contractor Notification Letter will also invite the CONTRACTOR to participate in a Review Conference and include a deadline for the CONTRACTOR's response (desire to

participate) within 5 business days. Failure by the CONTRACTOR to respond by the deadline will result in default or waiver by the CONTRACTOR to proceed with the Review Conference.

3. During the Review Conference, the CONTRACTOR will meet with the Departments' representative at the Children's Administrator III, Assistant Regional Administrator, Director, or higher level, other COUNTY (DCFS, Probation, and Auditor-Controller) Departmental staff, or CCLD to discuss the investigative or administrative findings and to provide an opportunity for the CONTRACTOR to respond to the findings. The Review Conference will be held within 30 days of the date of the Contractor's Notification Letter of placement on Hold, DNR, or DNU Status, unless CONTRACTOR waives the time limit. The Review Conference is provided to ensure that the CONTRACTOR is afforded a process for responding to allegations against them and for airing their grievances. One week prior to the then scheduled Review Conference, the CONTRACTOR has the right to present written evidence in the form of relevant declarations, affidavits, and documents and a written statement intended to be presented during the Conference. The CONTRACTOR may also request that DCFS or Probation interview any witnesses identified by the CONTRACTOR who have not already been interviewed.
4. Based on the reason (i.e., Fiscal, Contractual, Programmatic), an appropriate designated middle management level staff will conduct the Review Conference. DCFS, Probation, and CONTRACTOR will have the opportunity to present information related to the findings and each will be able to question the other with respect to each finding. Information provided by DCFS and Probation during the conference must be consistent with confidentiality laws. The CONTRACTOR may choose to seek authorization from the Juvenile Court to access additional documentation and information pertaining to the allegations, and to use such documentation and information during the Review Conference. The authorization or the approval must be in writing from the Court. DCFS and Probation will consider any new information presented in the CONTRACTOR's written statement and information presented during the Conference.

Consistent with the informal and non-adversarial atmosphere of the Review Conference, CONTRACTOR and COUNTY agree that only appropriate CONTRACTOR personnel and appropriate DCFS, Probation, Auditor-Controller, or CCLD personnel shall participate in the Review Conference; and legal representatives shall not be present at the Review Conference.

5. The Children's Administrator III, Assistant Regional Administrator, Director, or higher level staff will assess the information presented by the CONTRACTOR and make a final determination whether to withdraw the recommendation or to consult with others within DCFS and Probation with regard to the intended recommendation. This determination will be put in writing and provided to CONTRACTOR within 72 hours of the Review Conference.
6. Hold, DNR, or DNU Status may be lifted at any time that DCFS or Probation obtains information which leads them to believe that: 1) the original basis for imposing such status is no longer applicable, or 2) Hold, DNR, or DNU status is no longer appropriate. In instances where Hold, DNR, or DNU Status no longer applies, DCFS and Probation shall act as expeditiously as possible to remove CONTRACTOR from such status.

Revised 1/9/2018

INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit (“Exhibit”) sets forth the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the “Contract”) and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

The definitions below are specific to the uses within this Exhibit S.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization’s Information Security Program as formally expressed by its top management.

- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure

operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
 - Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
 - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
 - Protect against accidental loss or destruction of, or damage to, County Information; and
 - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;

- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or

an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.

- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in [Board of Supervisors Policy 6.104 – Information Classification Policy](#) as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 13 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

The Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
- d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.

- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

The Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

10. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

11. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 13 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

12. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 13 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email
CISO-CPO_Notify@lacounty.gov

Chief Information Security Officer:

Ralph Johnson
 Chief Information Security Officer
 320 W Temple, 7th Floor
 Los Angeles, CA 90012
 (213) 253-5600

Chief Privacy Officer:

Lillian Russell
 Chief Privacy Officer
 320 W Temple, 7th Floor
 Los Angeles, CA 90012
 (213) 351-5363

Departmental Information Security Officer:

Allen Ohanian
 DCFS Information Security Officer

12440 Imperial Hwy
 Norwalk, CA 90650
 (213) 394-8276
 AOhanian@dcfs.lacounty.gov

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, The Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

14. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a

material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

15. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the

Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

16. CYBER LIABILITY INSURANCE

Please refer to Part I, Section 4.3 of the Contract for cyber liability insurance requirements.

17. PRIVACY AND SECURITY INDEMNIFICATION

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

Notwithstanding the preceding sentences, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.