

**EL DORADO COUNTY BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

**Meeting of
February 13, 2007**

AGENDA TITLE: Amendment I to Agreement #272-S0611 with Merced Manor

DEPARTMENT: Mental Health

CONTACT: John Bachman, PhD

DATE: 1/23/2007

PHONE: 621-5106

DEPT SIGNOFF:

John Bachman

CAO USE ONLY:

*1/25
C Laura Schwartz*

DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:

The Mental Health Department requests the Board approve and authorize the Chairman to sign Amendment I to Agreement #272-S0611 with Merced Manor to provide long term 24-hour special treatment for mentally disordered adults on an "as requested" basis for the Mental Health Department. This amendment is necessary to change the rates charged by the vendor in accordance with State Department of Mental Health allowances for FY 06/07. The term of this Agreement is for the period of February 7, 2006 through February 7, 2008.

CAO RECOMMENDATIONS: *Recommend approval. Tallia J. Free 1/29/07*

Financial impact? () Yes (X) No

BUDGET SUMMARY:

Total Est. Cost	\$0.00
Funding	
Budgeted	\$0.00
New Funding	_____
Savings*	_____
Other	_____
Total Funding	\$0.00
Change in Net County Cost	

Funding Source: () Gen Fund (X) Other
Other: Medi-Cal and Realignment

CAO Office Use Only:

4/5's Vote Required () Yes (X) No
Change in Policy () Yes (X) No
New Personnel () Yes (X) No

CONCURRENCES:

Risk Management
County Counsel
Other _____

*Explain

BOARD ACTIONS:

Vote: Unanimous _____ Or

Ayes:

Noes:

Abstentions:

Absent:

Rev. 5/04 ISKW001 Agenda

I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors

Date: _____

Attest: Cindy Keck, Board of Supervisors Clerk

By: _____

EL DORADO COUNTY

**DEPARTMENT OF MENTAL HEALTH
ADMINISTRATIVE OFFICE**



John Bachman, PhD, Director
Barry Wasserman, LCSW, Acting Deputy Director
344 Placerville Drive, Suite 20
Placerville, CA 95667
Phone: (530) 621-6200
Fax: (530) 622-3278

January 23, 2007

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Subject: Agreement #272-S0611, Amendment I with Merced Manor

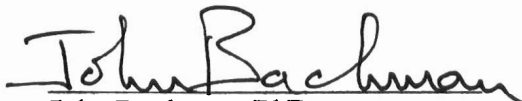
RECOMMENDATIONS: Approve and authorize the Chairman to sign the attached Amendment I to Mental Health's agreement with Merced Manor.

REASONS FOR RECOMMENDATIONS: Mental Health contracts with Merced Manor for the provision of services on an "as requested" basis to mentally disordered adults. This amendment is needed to change the provisional rates charged by the vendor in accordance with State Department of Mental Health allowances for FY 06/07.

FISCAL IMPACT: None.

ACTION TO BE TAKEN FOLLOWING APPROVAL: Board Clerk's Office will forward executed Amendment to Mental Health Department for further processing.

Respectfully submitted,


John Bachman, PhD
Director

ASSIGNMENT

DATE 10-25-06 / 1-3-07

Contract #: 272-S0611, AMD I

ATTORNEY MJC / MJC

CONTRACT ROUTING SHEET

DEPT./INDEX NO. 026100 / 224100

Date Prepared: 9/26/06

Need Date: _____

PROCESSING DEPARTMENT:
 Department: CAO/Proc. & Contracts
 Dept. Contact: Pam Carlone
 Phone #: 5833
 Department Head Signature: Bonnie H. Rich
 Bonnie H. Rich

CONTRACTOR:
 Name: Merced Manor, Inc.
 Address: 1255 B Street
Merced, CA 95340
 Phone: 209-723-8814

2007 JAN - 3 AM 11:15
 2006 SEP 25 PM 5:19
 EL DORADO COUNTY COUNCIL
 HUMAN RESOURCES DEPT

CONTRACTING DEPARTMENT: Mental Health
 Service Requested: 24 Hour Special Treatment Program
 Contract Term: Expires 2/5/08 Amendment Value: \$ -0-
 Compliance with Human Resources requirements? Yes: _____ No: _____
 Compliance verified by: _____

COUNTY COUNSEL: (Must approve all contracts and MOU's)
 Approved: _____ Disapproved: ✓ Date: 10/3/06 By: [Signature]
 Approved: _____ Disapproved: ✓ Date: 10/26/06 By: [Signature] *see #2*

ASSIGNMENT: 9-27-06
 ATTORNEY: MJC
 DEPT./INDEX NO.: 026100
 BY: KR
 11/8/06 by me/pc
 Can not retroactively amend rates to Feb 2006 when services under contract have already been rendered.
 Can amend rates going forward.
 I cannot approve retroactive increase in rates for services already performed. No provision in Contract for revision of rates.

2006 OCT 25 AM 9:33
 EL DORADO COUNTY COUNCIL

PLEASE FORWARD TO RISK MANAGEMENT. THANKS!

RISK MANAGEMENT: (All contracts and MOU's except boilerplate grant funding agreements)
 Approved: ✓ Disapproved: _____ Date: 11/9/06 By: [Signature]
 Approved: ✓ Disapproved: _____ Date: 1/8/07 By: [Signature]

2007 JAN - 8 PM 3:10
 HUMAN RESOURCES DEPT

OTHER APPROVAL: (Specify department(s) participating or directly affected by this contract).
 Departments: _____
 Approved: _____ Disapproved: _____ Date: _____ By: _____
 Approved: _____ Disapproved: _____ Date: _____ By: _____

ORIGINAL

AGREEMENT FOR SERVICES #272-S0611 AMENDMENT I

This Amendment I to that Agreement for Services #272-S0611, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and Merced Manor, Inc., a California Corporation, duly qualified to conduct business in the State of California, whose principal place of business is 1255 B Street, Merced, CA 95340; (hereinafter referred to as "Contractor");

WITNESSETH

WHEREAS, Contractor has been engaged by County to provide long-term 24-hour Special Treatment Program for mentally ill adults (hereinafter referred to as "Clients") on an "as requested" basis for the Department of Mental Health, in accordance with Agreement for Services #272-S0611, dated February 7, 2006, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to amend the compensation rates, with no increase in the total not to exceed amount, hereby amending **ARTICLE III - Compensation for Services**; and

WHEREAS, the parties hereto have mutually agreed to amend **ARTICLE XVI – Notice to Parties** and **ARTICLE XXIII – Administrator**.

NOW THEREFORE, the parties do hereby agree that Agreement for Services #272-S0611 shall be amended a first time as follows:

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Contractor monthly in arrears. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered, including the name of Client for which services were provided. County shall reimburse Contractor in accordance with the approved Supplemental Rate for the level of care provided and in accordance with Section 4075 of the Welfare and Institution Code. The Supplemental Rate is based on Facility size and the level(s) of care for which Contractor is authorized to provide and for which Client is certified.

For the purposes hereof, the billing rate for the period of February 7, 2006 until this Amendment has been fully executed by both parties hereto shall be \$125.32 per Client per day. The “bed-hold” rate, for Clients that are away from the facility for a period of time, shall be \$120.27. The billing rate commencing upon full execution of this Amendment by both parties hereto through February 7, 2008 shall be \$141.37 per Client per day. The “bed-hold” rate, for Clients that are away from the facility for a period of time shall be \$136.19.

Both parties agree that the rates may be revised to reflect whatever the most current State approved rate is for said facility by giving notice in accordance with **ARTICLE XVI – Notice to Parties** herein.

The total amount of this Agreement shall not exceed \$270,000.00, for the two (2) year period.

ARTICLE XVI

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be addressed as follows:

COUNTY OF EL DORADO
DEPARTMENT OF MENTAL HEALTH
344 PLACERVILLE DRIVE, SUITE 20
PLACERVILLE, CA 95667
ATTN: TOM MICHAELSON, DEPARTMENT ANALYST

or to such other location as the County directs.

Notices to Contractor shall be addressed as follows:

MERCED MANOR, INC.
1255 B STREET
MERCED, CA 95340
ATTN: ERIC WILLIAMS, ADMINISTRATOR

or to such other location as the Contractor directs.

ARTICLE XXIII

Administrator: The County Officer or employee with responsibility for administering this Agreement is Tom Michaelson, Department Analyst, Department of Mental Health, or successor.

Except as herein amended, all other parts and sections of that Agreement #272-S0611 shall remain unchanged and in full force and effect.

Requesting Contract Administrator Concurrence:

By: Tom Michaelson Dated: 1-9-07
Tom Michaelson, Department Analyst
Mental Health Department

Requesting Department Head Concurrence:

By: John Bachman Dated: 1/10/07
John Bachman, Ph.D., Director
Mental Health Department

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement #272-S0611 the day and year first below written.

--- COUNTY OF EL DORADO ---

Dated: _____

By: _____

Chairman
Board of Supervisors
"County"

ATTEST:
Cindy Keck, Clerk
of the Board of Supervisors

By: _____ Date: _____
Deputy Clerk

--- CONTRACTOR ---

Dated: January 15, 2007

MERCED MANOR, INC.,
A CALIFORNIA CORPORATION

By: 

Arden Bennett, President and
Chief Executive Officer
"Contractor"

By: 

Corporate Secretary

Dated: 01/15/2007

COPY

AGREEMENT FOR SERVICES #272-S0611

THIS AGREEMENT made and entered by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and Merced Manor, Inc., a California Corporation duly qualified to conduct business in the State of California, whose principal place of business is 1255 B Street, Merced, CA 95340, (hereinafter referred to as "Contractor");

WITNESSETH

WHEREAS, County has determined that it is necessary to obtain a Contractor to provide long-term 24-hour Special Treatment Program for mentally ill adults (hereinafter referred to as "Clients") on an "as-requested" basis for the Department of Mental Health; and

WHEREAS, Contractor has represented to County that it is specially trained, experienced, expert and competent to perform the special services required hereunder and County has determined to rely upon such representations; and

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

WHEREAS, County has determined that the provisions of such services provided by Contractor are in the public's best interest, are more economically and feasibly performed by outside independent Contractors as well as authorized by El Dorado County Charter, Section 210 (b) (6) and/or Government Code 31000;

NOW, THEREFORE, County and Contractor mutually agree as follows:

ARTICLE I

Scope of Services: Contractor agrees to furnish licensed facilities, personnel and services necessary to provide a long-term 24-hour Special Treatment Program for Clients on an "as requested" basis for the Department of Mental Health. Contractor agrees to comply with all applicable provisions of Title 9 of the California Administrative Code.

Contractor's responsibilities shall include, but not be limited to, services set forth in Exhibit "A", marked "Resident Care", incorporated herein and made by reference a part hereof.

ARTICLE II

Term: This Agreement shall become effective when fully executed by both parties hereto and shall expire two (2) years from date thereof.

ARTICLE III

Compensation for Services: For services provided herein, County agrees to pay Contractor monthly in arrears. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing services rendered, including the name of Client for which services were provided. County shall reimburse Contractor in accordance with the approved Supplemental Rate for the level of care provided and in accordance with Section 4075 of the Welfare and Institution Code. The Supplemental Rate is based on Facility size and the level(s) of care for which Contractor is authorized to provide and for which Client is certified. For the purposes hereof, the billing rate shall be \$125.32 per Client per day. The "bed-hold" rate, for Clients that are away from the facility for a period of time, is \$120.27. The total amount of this Agreement shall not exceed \$270,000.00, for the two (2) year period.

ARTICLE IV

Confidentiality: Contractor shall maintain the confidentiality of all records, including billings, together with any knowledge therein acquired, in accordance with all applicable State and Federal Statutes and regulations, as they exist or may thereafter be amended or changed. Contractor, and all Contractor's staff, employees and representatives shall not disclose or use, directly or indirectly, at any time such confidential information, other than in the performance of this Agreement.

Prior to providing any services pursuant to this agreement, all Contractor's employees and volunteer staff of Contractor shall agree, in writing, with Contractor to maintain confidentiality of any and all patient information and records which may be obtained in the course of providing services. The written agreement shall specify that it is effective irrespective of the subsequent termination of Contractor's employees and volunteers. Proof of same shall be provided to County upon request.

The identities of patients and the complete medical records of Clients shall remain the sole and exclusive property of County and shall not be disclosed by Contractor or any of its employees, and are subject to the new electronic transmission format standards required by the Health Insurance Portability and Accountability Act (HIPAA).

ARTICLE V

Licensure and Laws: Contractor shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates, waivers and exemptions necessary for the provision of services hereunder and as required by federal, state and local laws or any other appropriate governmental agency. Contractor shall notify the County Contract Administrator, or Case Management Program Coordinator, immediately in writing of its inability to obtain or maintain, irrespective of the pendency of an appeal, such permits, licenses, approvals, certificates, waivers and exemptions.

Contractor shall comply with all applicable laws, governmental regulations and requirements as they exist now or may hereafter be amended or changed. These regulations shall be deemed to include policies and procedures as set forth in State Department of Mental Health Letters.

ARTICLE VI

Non-Discrimination: Affirmative Action shall be taken to ensure that applicants are employed without regard to, and that employees are treated during employment without regard to their race, religion, color, sex, national origin, age, sexual preference, or physical or mental handicap.

Contractor will not discriminate in the provision of services, the allocation of benefits, or in the accomodation in facilities on the basis of color, race, religion, national origin, age, sexual preference, physical or mental handicap in accordance with Title VI of the Civil Rights Act of 1964, 42 U.S.C., § 2000 (d) and all other pertinent rules and regulations promulgated pursuant thereof, and as otherwise provided by State law and regulations, as well may exist or hereafter be amended or changed.

ARTICLE VII

Records: Contractor shall maintain adequate Client records on each Client placed in Contractor's Facility. Contractor shall maintain individual Client records for all Clients who participate in the long-term 24-hour Special Treatment Program. The individual Client records shall contain the following minimum information:

1. The name of Client;
2. **The date of placement** of Client in the Contractor's Facility;
3. The level of care as determined by the Level of Care Assessment form;
4. A description of the Client's needs which require long-term 24-hour Special Treatment services;
5. Goals/objectives which relate to the assessed needs of client; and
6. A description of the services/interventions by which the stated goals/objectives will be achieved.

The Contractor is required to see that progress notes are written in the individual Client record at least once weekly. Each entry into the Client record is to be signed and dated by the staff member making the entry.

ARTICLE VIII

Records Retention: Client records shall be retained by Contractor for a minimum of seven (7) years. Records which relate to litigation or settlement of claims arising out of the performance of this agreement, or costs and expenses of this Agreement as to which exception has been taken by County or State, shall be retained by Contractor until disposition of such appeals, litigation, claims or exceptions are completed.

ARTICLE IX

Inspections and Audits: The County Contract Administrator, or any authorized representative of County, any authorized representative of the State of California, the Secretary of the United States, or any of their authorized representatives shall have access to any books, documents and records, including medical and Client records, of Contractor which any of them deem pertinent to this Agreement, for the purpose of making audit, evaluation, examination and transcripts during the periods of retention set forth in ARTICLE VII hereinabove. The aforementioned persons may at all reasonable times inspect or otherwise evaluate the work and services performed pursuant to this Agreement and the premises in which the work and services are being performed.

ARTICLE X

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE XI

Contractor to County: It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Contractor shall act as Contractor only to County and shall not act as Contractor to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Contractor's responsibilities to County during term hereof.

ARTICLE XII

Assignment and Delegation: Contractor is engaged by County for its unique qualifications and skills as well as those of its personnel. Contractor shall not subcontract, delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

ARTICLE XIII

Independent Contractor/Liability: Contractor is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. Contractor exclusively assumes responsibility for acts of its employees, associates and subcontractors, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Contractor shall be responsible for performing the work under this Agreement in a safe, professional, skillful and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Contractor or its employees.

ARTICLE XIV

Fiscal Considerations: The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, El Dorado County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment or services not budgeted in a given fiscal year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, County shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget, which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and County released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce, or order a reduction, in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

ARTICLE XV

Default, Termination and Cancellation:

- A. **Default:** Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (time to cure), then such party shall be in default. The time to cure may be extended at the discretion of the party giving notice. Any extension of time to cure must be in writing, prepared by the party in default for signature by the party giving notice and must specify the reason(s) for the extension and the date on which the extension of time to cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so elects in a subsequent written notice after the time to cure has expired.

- B. Bankruptcy: This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Contractor.
- C. Ceasing Performance: County may terminate this Agreement in the event Contractor ceases to operate as a business, or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. Termination or Cancellation without Cause: County may terminate this Agreement in whole or in part seven (7) calendar days upon written notice by County for any reason. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates as set forth in the Notice of Termination provided to Contractor, and for such other services, which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the total amount of the contract. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the notice directs otherwise. In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

Upon receipt of Notice of Termination by County, Contractor shall do the following:

1. Comply with termination instructions provided by the County Contract Administrator in a manner, which is consistent with recognized standards of quality patient care and prudent business practice.
2. Obtain immediate clarification from the County Contract Administrator, written or oral, regarding any unsettled or outstanding issues of contract performance.
3. Until the effective date of termination, continue to provide the same level of service required by this Agreement.
4. Until the effective date of termination, County shall continue to pay Contractor for services not in dispute in the manner specified in ARTICLE III, Compensation for Services.

The rights and remedies of County provided in ARTICLE XIV Default, Termination and Cancellation shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

ARTICLE XVI

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

COUNTY OF EL DORADO
DEPARTMENT OF MENTAL HEALTH
344 PLACERVILLE DRIVE, SUITE 20
PLACERVILLE, CA 95667
ATTN: MATTHEW LEPORE, FAM

or to such other location as the County directs.

Notices to Contractor shall be addressed as follows:

MERCED MANOR, INC.
1255 B STREET
MERCED, CA 95340
ATTN: ERIC WILLIAMS, ADMINISTRATOR

or to such other location as the Contractor directs.

ARTICLE XVII

Indemnity: The Contractor shall defend, indemnify and hold the County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees and the public, or damage to property or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with the Contractor's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Contractor, subcontractor(s) and employee(s) or any of these, except for the sole or active negligence of the County, its officers and employees, or as expressly proscribed by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE XVIII

Insurance: Contractor shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Contractor maintains insurance that meets the following requirements:

- A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000.00 combined single limit per occurrence for bodily injury and property damage.
- C. Automobile Liability Insurance of not less than \$1,000,000.00 is required in the event motor vehicles are used by the Contractor in the performance of the Agreement.

- D: In the event Contractor is a licensed professional, and is performing professional services under this Agreement, professional liability is required with a limit of liability of not less than \$1,000,000.00 per occurrence. For the purposes of this Agreement, professional liability is required.
- E. Contractor shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Manager as evidence that the insurance required above is being maintained.
- F. The insurance will be issued by an insurance company acceptable to Risk Management, or be provided through partial or total self-insurance likewise acceptable to Risk Management.
- G. Contractor agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year.

New certificates of insurance are subject to the approval of Risk Management and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

- H. The certificate of insurance must include the following provisions stating that:
 - 1. The insurer will not cancel the insured's coverage without thirty (30) days prior written notice to County, and;
 - 2. The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all liability policies except worker's compensation and professional liability insurance policies.
- I. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the County, either; the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
- N. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with Risk Management, as essential for protection of the County.

ARTICLE XIX

Interest of Public Official: No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or interest of any corporation, partnership or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.

ARTICLE XX

Interest of Contractor: Contractor covenants that Contractor presently has no personal interest or financial interest, and shall not acquire same in any manner or degree in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed by Contractor.

ARTICLE XXI

California Residency (Form 590): All independent Contractors providing services to the County must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certify that they have a permanent place of business in California. The Contractor will be required to submit a Form 590 prior to execution of an Agreement or County shall withhold seven (7%) percent of each payment made to the Contractor during term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

ARTICLE XXII

Taxpayer Identification Number (Form W-9): All independent Contractors or Corporations providing services to the County must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

ARTICLE XXIII

Administrator: The County Officer or employee with responsibility for administering this Agreement is Jennifer Hayworth, Department Analyst, Department of Mental Health, or successor.

ARTICLE XXIV

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

ARTICLE XXV

Partial Invalidity: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XXVI

Venue: Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. Contractor waives any removal rights it might have under Code of Civil Procedure Section 394.

ARTICLE XXVII

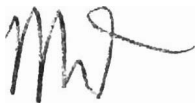
Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties and they incorporate or supersede all prior written or oral Agreements or understandings.

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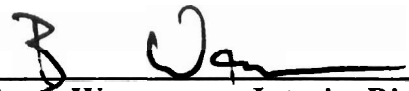
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Contract Administrator Concurrence:

By:  Dated: 10/24/2005
Matthew LePore, FAM
Department of Mental Health

Requesting Department Head Concurrence:

By:  Dated: 10/24/05
Barry Wasserman, Interim Director
Department of Mental Health

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first below written.

-- COUNTY OF EL DORADO --

Dated: 02/07/06

By: James R. Sweeney
JAMES R. SWEENEY Chairman
Board of Supervisors
"County"

ATTEST:
Cindy Keck
Clerk of the Board of Supervisors

By: [Signature] Dated: 02/07/06
Deputy Clerk

-- CONTRACTOR

Date: _____

MERCED MANOR, INC.,
A CALIFORNIA CORPORATION

By: [Signature]
Arden Bennett, President and
Chief Executive Officer
"Contractor"

By: Bill [Signature]
Corporate Secretary

Dated: 12/08/05

EXHIBIT "A"

RESIDENT CARE

TITLE: IMD SCOPE OF SERVICE

POLICY:

Merced Manor is a 96 bed locked, inpatient long-term care psychiatric facility serving County Mental Health Departments throughout California. The program is designed to treat the mentally disabled who have rehabilitation potential. The program is designed to help residents gain insight into their illness and acquire the necessary coping skills for community placement. The average age of residents is approximately 35, but ranges from 18 to 65. The average length of stay is 8.5 months.

Residents at Merced Manor must be ambulatory, have an AXIS I psychiatric diagnosis (not organic in nature) and a stable medical condition. New admissions must demonstrate that they have not required seclusion for at least one week for assaultive or suicidal behavior (depending on the severity of their last episode in acute psychiatric facility). Residents must have a responsible conservator to coordinate care. If a resident's medical condition indicates care required at a skilled nursing facility, or acute care facility, the resident shall be transferred to an appropriate facility. Merced Manor does not provide care to residents who are dying.

THE PROGRAM PROVIDES:

1. Psychiatric service at least once per month.
2. Multi disciplinary treatment planning.
3. Discharge planning.
4. A structured living environment.
5. Individualized care plans.
6. A multi disciplinary approach to care.
7. Structured group activities which considers the resident's prior level of functioning and expected rehabilitation goals.
8. Healthy meals and diet education.
9. A token economy.

10. Individualized behavior modification plans designed to eliminate inappropriate behaviors that prevent the residents from living in the community.
11. Individual and group therapy provided by qualified group leaders.
12. Psychological testing.
13. Training groups to teach essential living skills (i.e., self esteem, assertiveness, community living, activities of daily living, medication awareness).
14. Groups for socialization.
15. Supervised outings into the community.
16. Skilled nursing care.
17. Collaboration with public guardians, social workers, counselors, physicians and families, where appropriate.

CARE IS PROVIDED BY:

1. Psychiatrists and family practice or internal medicine physicians.
2. RN's, LVN's, LPT's.
3. Special Treatment Program staff.
4. Social Services designee.
5. Dietician.
6. Activities Coordinator.
7. Certified Nursing Assistants.
8. Facility Administrator Staff.

DISCHARGE PLANNING

Discharge planning is initiated upon admission and continues on a regular basis until the resident is ready for discharge back into the community.

LIAISON WITH COUNTY DEPARTMENTS OF HEALTH

The treatment team at Merced Manor communicates on a regular basis with the resident's County Department of Mental Health and conservator. Reports are submitted to the county of origin on a regular basis.