



# County of El Dorado

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## Legislation Text

**File #:** 07-1873, **Version:** 1

Public Health Department recommending Chairman be authorized to sign Amendment II to Agreement for Services 622-PHD0607 with Progress House, Inc. increasing compensation to an amount not to exceed \$90,000 and extending the term through June 30, 2008, instituting a standardized rate schedule, and allowing the Director to modify compensation amounts within a not to exceed contract limit when needed; and recommending Budget Transfer for same. (4/5 vote required)

**RECOMMENDED ACTION:** Approve.

**FUNDING:** State Proposition 36 funds.

BUDGET SUMMARY:		
Total Estimated Cost		\$90,000
Funding		
Budgeted	\$90,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$90,000	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: Funding is included within FY 2007-08 Approved Budget for the Alcohol/Drug Treatment Program. The attached Budget Transfer increases revenue from the State for Prop 36 by \$188,724. Additional funding for Prop 36 was made available during final review and approval of the State budget by the Governor. The increase is included in the current NNA (net negotiated amount) grant agreement with the State; therefore, no amendment or additional grant documents are necessary. There is no net County cost.

Background: The El Dorado County Proposition 36 Program, which allows qualifying non-violent drug offenders the option of alcohol/drug treatment instead of incarceration, was implemented in July 2001 and continues to be overseen by the County Public Health Department. Treatment services for the Program are subcontracted out to various local non-profit agencies, including Progress House, Inc.

Originally, the term of this contract was six months so that Public Health and Human Services could develop a uniform fee schedule, which would replace the proprietary fee schedule found in former alcohol and drug treatment contracts. The Board approved that rate schedule at the meeting of October 2, 2007.

These services are entitlements, or are guaranteed to clients upon request or by Court order. As a result, the amount of service performed by Progress House is often difficult to estimate. Therefore, contracts such as this one are usually amended at a later date to ensure providers are fully compensated. The process of amending contracts is time consuming and costly.

In an effort to make the process more efficient, staff, working with Counsel, have developed contract language which would effectively allow the Contract Administrator (for Public Health contracts, the Director) to modify compensation amounts to ensure vendors receive payment appropriately. *Total* amended contract amounts, presented herein above, would not be exceeded; however, *provisional* amounts (the estimated amounts for service, which are lower than the total contract amount, as denoted in this amendment) could be increased or decreased depending upon any unanticipated changes to the amount of service provided by Progress House. The Department would return to the Board to exercise any amendment to increase the *total* contract amount, if needed.

Reason for Recommendation: This amendment replaces the existing proprietary fee schedule with the Board-approved rate schedule, extends the term of the agreement by six (6) months, increases the compensation to coincide with that extension, and provides authority for the Director to modify provisional compensation amounts when needed. Given that services remain the same, the staff determined that amending the contract was appropriate.

Action to be taken following Board approval: Chairman to sign three (3) copies of the attached amendment; Board Clerk's Office to return two (2) fully executed copies to Department; Department to distribute as appropriate; Chairman to sign the attached Budget Transfer; Board Clerk's Office to forward to Auditor-Controller for posting.

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