



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 25-401

October 21, 2025

Introduced: 9/29/2025

Current Status: Health Department -
Consent

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Davis Guest Home, Inc. for the provision of mental health services to Monterey County adult residents with severe psychiatric disabilities in a Board and Care facility, for a maximum County obligation of \$1,982,810 for the term of July 1, 2025 through June 30, 2026;
- b. Approve non-standard insurance provisions in Agreement as recommended by the Director of Health Services; and
- c. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% (\$198,281) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over \$2,181,091.

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:

- a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Davis Guest Home, Inc. for the provision of mental health services to Monterey County adult residents with severe psychiatric disabilities in a Board and Care facility, for a maximum County obligation of \$1,982,810 for the term of July 1, 2025 through June 30, 2026;
- b. Approve non-standard insurance provisions in Agreement as recommended by the Director of Health Services; and
- c. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% (\$198,281) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over \$2,181,091.

SUMMARY:

Davis Guest Home, Inc. operates licensed Adult Residential Care Facilities that services Monterey County adult residents with severe psychiatric disabilities. This is a new agreement with the same contract provisions as the expired agreement A-16994 that ended June 30, 2025.

DISCUSSION:

The County contracted with Davis Guest Home, Inc. for mental health services to Monterey County adult residents with severe psychiatric disabilities in a Board and Care facility for the periods of Fiscal Years (FY) 2005-2025. Davis Guest Home, Inc. operates several licensed Adult Residential Care Facilities, which provide community-based activities that create a

normalizing experience for adults with severe psychiatric disabilities and benefits persons determined to need the most help, particularly those recently discharged from psychiatric locked facilities.

This Agreement with Davis Guest Home, Inc. is for one (1) fiscal year term from July 1, 2025 to June 30, 2026, which renews and updates Agreement A-16994 ending June 30, 2025. This new Agreement provides the same contract provisions, client-driven program, and structured activities provided by Davis Guest Home, Inc., which successfully assist the residents to reintegrate into the community. This agreement would continue the care and treatment provisions and add an Out-of-County Transportation provision.

Due to late and ongoing contract negotiations, with direction for an effective date of July 1, 2025, the agreement took additional time to review and amend, which by necessity makes the agreement retroactive when presented to your board.

Approval of this Agreement meets the requirements of the State Welfare and Institutions Code 5600 (Bronzan-McCorquodale Act) and the California Code of Regulations Titles 9 & 22 and sustains the continuity of core services to seriously mentally ill clients of Monterey County.

This Agreement contains a non-standard insurance provision, and it contains the County's standard 30-day "no cause" provision (Section V, B) and an additional defunding provision (Section V, D), which provides the County the ability to amend or terminate the Agreement in the event of a reduction and/or termination of funding.

Like the previous years, the vendor is able to provide a claims-based coverage subject to a \$3,000,000 aggregate claim amount as part of its Commercial General Liability insurance.

This work supports the following County of Monterey Health Department 2025-2028 Strategic Plan Goal(s): 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports one of the ten essential public health services, specifically: 7) Link people to needed personal health services and assure the provisions of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Office of the County Counsel and Auditor-Controller have reviewed and approved this Agreement as to form and fiscal provisions, respectively.

FINANCING:

This Agreement is funded by the 1991 Realignment funding and the SAMHSA Block Grant. The funds for this Agreement are included in the Health Department's Behavioral Health (HEA012, Unit 8410) Fiscal Year 2025-26 Adopted Budget.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

Mark a check to the related Board of Supervisors Strategic Plan Goals:

☒ Well-Being and Quality of Life

☐ Support and improve the quality of life for residents by providing exceptional facilities and health programs in the County

- ☐ Sustainable Infrastructure for the Present and Future
- ☒ Safe and Resilient Communities
- ☐ Provide essential justice focused activities to support disabled residents.
- ☐ Diverse and Thriving Economy
- ☐ Administrative

Prepared by: Tami Nguyen, Management Analyst II, 279-4740

Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Agreement