

AGREEMENT BETWEEN COUNTY OF MONTEREY
AND
CORRECTIONAL HEALTHCARE PARTNERS, INC., DBA CHPMONTEREY, INC.

This AGREEMENT is made and entered into by and between the County of Monterey, a political subdivision of the State of California, hereinafter referred to as “County”, and **CHPMONTEREY, INC.** hereinafter referred to as “CONTRACTOR.”

RECITALS

WHEREAS, County has invited proposals through the Request for Proposals (RFP #10939) for Agreements to provide correctional health services, in accordance with the specifications set forth in this AGREEMENT; and

WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and

WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW, THEREFORE, County and CONTRACTOR, for the consideration hereinafter named, agree as follows:

1.0 PERFORMANCE OF THE AGREEMENT

- 1.1 After consideration and evaluation of the CONTRACTOR’s proposal, the County hereby engages CONTRACTOR to provide the services set forth in RFP #10939 and in this AGREEMENT on the terms and conditions contained herein and in RFP #10939. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. This AGREEMENT is based on the following supporting documents:

The AGREEMENT and its related exhibits, RFP #10939 dated March 27, 2025, including all attachments, Exhibits, Addendum 1, Addendum 2, Addendum 3, and CONTRACTOR’s Proposal dated April 2, 2025.

- 1.2 These documents are on file with the County’s Contracts/Purchasing Division.
- 1.3 All of the above-referenced documents are intended to be complementary. Work required by one of the above-referenced documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the AGREEMENT, the documents shall be construed in the following order: AGREEMENT, AGREEMENT Exhibits A through F, RFP #10939, Addendum 1, Addendum 2, Addendum 3, and CONTRACTOR’s Proposal, including all attachments and exhibits.

- 1.4 CONTRACTOR warrants that CONTRACTOR and its agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of the County, or immediate family of an employee of the County.
- 1.5 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
 - 1.5.1 CONTRACTOR must maintain all licenses throughout the term of the AGREEMENT.
- 1.6 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this AGREEMENT, except as otherwise specified in this AGREEMENT. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.
- 1.7 In all instances, the services provided by CONTRACTOR shall be in compliance with all applicable state and federal laws, including Title 15. In all instances, the services provided by CONTRACTOR shall be in compliance with all Court orders in the matter of *Hernandez et al v. County of Monterey, et. al.*, Case Number: 5:13-cv-02354-BLF. The component parts of this AGREEMENT include the following:
 - 1.7.1 Scope of Work attached as Exhibit A.
 - 1.7.2 Staffing Plan attached as Exhibit B.
 - 1.7.3 Business Associate Agreement attached as Exhibit C.
 - 1.7.4 Performance Metrics attached as Exhibit D.
 - 1.7.5 Joint Defense Agreement attached as Exhibit E.
 - 1.7.6 Jail Based Competency Treatment Program Agreement attached as Exhibit F.
 - 1.7.7 Any Court orders in the matter of *Hernandez et al v. County of Monterey et. al.*, Case Number: 5:13-cv-02354-BLF.
 - 1.7.8 Certificate of Insurance, and Additional Insured Endorsements.
- 1.8 All of the above-referenced AGREEMENT documents are intended to be complementary. Work required by one of the above-referenced agreement documents and not by others shall be done as if required by all. In the event of any conflict (direct or indirect) among any of the exhibits and the AGREEMENT, the more stringent requirements providing the County with the broader scope of services shall have precedence, such that the Scope of Work (Exhibit A) shall be performed to

the greatest extent feasible.

2.0 SCOPE OF SERVICE

2.1 **Scope of Work.**

CONTRACTOR shall provide comprehensive, on-site medical, dental, mental health, and Jail Based Competency Treatment (JBCT) services to incarcerated individuals at the Monterey County Jail, located at 1410 Natividad Road, Salinas, California 93906. These services shall be delivered in accordance with the standards of the National Commission on Correctional Health Care (NCCHC), Title 15 and Title 24 of the California Code of Regulations, and all applicable federal and state laws, including compliance with all terms and conditions contained within Exhibit A (Scope of Work) and Court orders in the matter of *Hernandez et al v. County of Monterey, et. al.*, Case Number: 5:13-cv-02354-BLF.

2.1.1 The Scope of Work for County Adult Detention is described in Exhibit A attached hereto.

2.2 **Method of Performing Services.**

CONTRACTOR will determine the method, details, and means of performing the above-described services within the parameters outlined within this AGREEMENT including all exhibits and attachments. County may not control, direct, or supervise CONTRACTOR's employees or subcontractors in the performance of these services.

2.3 **Equipment and Facilities.**

2.3.1 County shall provide the space, housekeeping, linen, furniture, fixtures, utilities, telephone (excluding toll calls), security, and other items necessary for the efficient operation of the health care delivery system.

2.3.2 CONTRACTOR shall provide all reasonably necessary medical equipment and supplies, including but not limited to, medicines, drugs, dressings, instruments, gloves and medical/dental personnel wearing apparel. CONTRACTOR shall also launder contaminated linen and dispose of contaminated materials.

2.3.3 CONTRACTOR is authorized to use County medical equipment currently on the premises. CONTRACTOR agrees to safeguard said equipment. Equipment is to be used only by those trained and qualified in their use. CONTRACTOR shall reimburse County for all losses resulting from the negligent or careless use of said equipment or other County property or facility by CONTRACTOR's personnel.

2.3.4 CONTRACTOR shall be responsible for procuring its own medical waste disposal services for the appropriate disposal of each type of medical waste (i.e., pharmaceutical, pathological, biohazard, hazardous, etc.) generated as a result of the services provided.

- 2.3.5 CONTRACTOR, its employees, and subcontractors who are hired by CONTRACTOR to provide hazardous material disposal services pursuant to this AGREEMENT shall comply with the Superfund Amendments and Reauthorization Act (SARA) and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) while performing all services under this AGREEMENT. CONTRACTOR shall be solely responsible for the transportation and disposal or release of any hazardous material. County does not take responsibility for the improper packaging, storage, and/or transportation of any hazardous materials ordered by it for services performed under this Agreement.
- 2.3.6 CONTRACTOR shall furnish and pay for the timely provision and repair of medical orthoses, prostheses, and other aids to impairment including, but not limited to, the following: braces, shoe inserts, splints, prostheses, prescription eyeglasses, hearing aids, corrective shoes, canes, walkers, and wheelchairs that are deemed medically necessary.

2.4 **Hours and Personnel.**

- 2.4.1 CONTRACTOR shall maintain adequate health personnel to provide services required herein. CONTRACTOR's personnel performing professional medical services shall be duly licensed in the State of California, except for medical residents and Interns following a course of study, authorized for training by the CONTRACTOR. The CONTRACTOR's personnel shall practice medicine in accordance with accepted medical standards in the community.
- 2.4.2 CONTRACTOR shall have a licensed qualified Board Certified or Board Eligible physician designated as Medical Director or lead physician. The individual shall have a specialty certification in the field of internal medicine, family practice, or emergency room (ER) medicine. The physician's licenses and credentials shall remain up to date and in good standing. The Medical Director will be responsible for overall health care delivery at the facility, for ensuring the quality of health care provided, and supervising the practice of nurse practitioners, registered nurses, and other ancillary personnel, should such personnel be utilized.

Physicians who are not board certified at the time of their start at the Monterey County Jail must obtain board certification within the timeframe defined by their specialty board. Failure to become board certified within the specified time period shall result in automatic termination of assignment. Once certified by a recognized Board, the Medical Director must remain certified as a condition for assignment to the Monterey County Jail. If the physician's board certification lapses for any reason, they shall have a grace period of two (2) years from the loss of certification to regain board certification. Failure to regain board certification within the specified time period shall result in automatic termination of assignment.

- 2.4.3 CONTRACTOR shall hire and maintain an onsite Program Administrator who will be designated as the liaison between CONTRACTOR and County. The Program Administrator shall be responsible for the investigation of all complaints that relate to CONTRACTOR's operations, including incarcerated person grievances. These investigations shall be summarized in writing and will include CONTRACTOR's findings, position and corrective plan, as applicable.

- 2.4.4 Copies of licenses and/or records of certification for all medical personnel are to be furnished to the Medical Director who must at all times have them available for examination. Copies of these documents shall be maintained onsite in the medical unit.
- 2.4.5 CONTRACTOR shall be responsible for time and attendance accountability.
- 2.4.6 County's Sheriff reserves the right to perform background or security checks of CONTRACTOR's personnel as a condition of granting them access to the County detention facility. The Sheriff has the sole discretion to determine security acceptability of all CONTRACTOR-personnel at any time during the Contract period, and personnel found to be an unacceptable security risk shall not be given access to the facility. No new CONTRACTOR personnel shall be brought to the facility without the prior approval of the Sheriff or their designee.
- 2.4.7 CONTRACTOR shall maintain the staffing pattern hours and availability as described in Exhibits A and B of this AGREEMENT as the minimum staffing level. Any modification of the proposed staffing pattern shall require written notification and justification by CONTRACTOR to the Monterey County Sheriff's Office with mutual agreement by the Sheriff's Office to authorize an amendment.
- 2.4.8 CONTRACTOR shall notify the Sheriff's Office within twenty-four (24) hours of its knowledge of an employee or subcontractor's arrest(s).
- 2.4.9 All CONTRACTOR's employees must wear identification badges at all times while within the County Jail.
- 2.4.10 CONTRACTOR shall have an affirmative duty to immediately notify Corrections Operations Bureau Chief Deputy Sheriff or their designee of any personnel issue or concern that may have an impact on operations or expose County and/or Sheriff's Office to liability, administrative action or undue public scrutiny. This shall include, but not be limited to, suspected employee theft, misuse of county or contractor property, substance abuse or mistreatment of incarcerated persons physically, mentally or violation of their civil rights.
- 2.4.11 All services shall be performed to the satisfaction of County. County shall be reasonable in making this determination. CONTRACTOR may enter into subcontracts for the performance of obligations. However, no subcontract shall be entered into without the prior written approval of County, which such approval shall not be unreasonably withheld, conditioned, or delayed.
- 2.4.12 County shall approve all appointments to the positions of Health Services Administrator, Medical Director and Director of Nursing.
- 2.4.13 CONTRACTOR acknowledges that their employee's access to the Monterey County Jail is subject to revocation by facility management without cause.

2.5 **Administrative Requirements.**

- 2.5.1 CONTRACTOR shall design, prepare, and implement all policies, procedures, and protocols necessary to perform all required services under this AGREEMENT.
- 2.5.2 CONTRACTOR shall comply with all County departmental procedures as applicable to the detention facility and as determined by County. This shall include, but not necessarily be limited to, such items as incarcerated person security and communicable disease policies set by the County Health Officer.
- 2.5.3 CONTRACTOR shall ensure that its staff document all health care encounters in the incarcerated person's medical record, legibly, in a problem-oriented format, including diagnosis and treatment plan.
- 2.5.4 CONTRACTOR shall cooperate with County in any effort to receive funding from outside funding sources.
- 2.5.5 CONTRACTOR shall make all referral arrangements for treatment of covered individuals whose problem(s) extend beyond the scope of services provided on-site.
- 2.5.6 CONTRACTOR shall supply appropriate medical personnel to attend any court proceedings as requested by County, involving any incarcerated person whose medical history, condition, problem or status is at issue.
- 2.5.7 Both Parties shall cooperate fully, within the scope of applicable laws, with the other to investigate, adjust, settle or defend any claim, action, or proceeding brought in connection with the operation of the County facility health programs with which CONTRACTOR may be connected.
- 2.5.8 CONTRACTOR shall secure and maintain continuously, all necessary licenses and certifications necessary for its performance under this Contract.
- 2.5.9 Either party may re-open this AGREEMENT to negotiate compensation adjustments based upon changes in the amount or type of contract services that have duration beyond the contract year in which they are anticipated to occur, such as and including, but not limited to changes in Title 15, NCCHC standards, and orders in the *Hernandez* litigation.
- 2.5.10 Either party may re-open this AGREEMENT to negotiate compensation adjustments based upon significant changes in the number or type of incarcerated persons being housed within the Monterey County Jail.
- 2.5.11 CONTRACTOR's employees must attend any and all orientation and training classes conducted by the County that have been deemed necessary for increasing awareness of safety, security, and operational issues in the facility, to be paid at CONTRACTOR's expense.

2.6 **Emergency Contact.**

- 2.6.1 CONTRACTOR shall provide the name and contact information of a representative who shall be available 24 hours a day, 7 days a week, in the event of an emergency to the Corrections Operations Bureau Chief Deputy Sheriff or their designee. During the emergency, CONTRACTOR shall ensure that County detention facilities have all available supplies, materials, equipment and/or services to perform under this AGREEMENT at all times, 24 hours a day, 7 days a week.
- 2.6.2 County expects emergency deliveries to occur within 4 hours of order placement and may be required during evenings, weekends, and holidays. Time is of the essence for delivery during emergency situations. Delivery location(s) and estimated arrival will be mutually agreed upon, by County and CONTRACTOR, at time of order and will be determined based on need and existing conditions. It is understood that current conditions, such as power outages, road closures, lock-downs, and damages to CONTRACTOR's facility and/or equipment, will be taken into consideration.

2.7 **Material Changes in Scope or Circumstance, or Emergency Circumstances.**

2.7.1 If at any time during the Term of this AGREEMENT, County requests a change in the scope, volume, quality/degree or quantum of services to be provided by CONTRACTOR, or the scope of services set out herein must materially be changed due to a Material Change Circumstance, which would increase the cost of providing the services or which CONTRACTOR notifies County affects CONTRACTOR's ability to provide the requested scope of services under the circumstances (a "Material Change Circumstance"), the Parties shall follow the procedures outlined in Section 2.7.2. of this AGREEMENT. A Material Change Circumstance includes but is not limited to any of the following:

- There is or are new, amended, and/or repealed law(s) or regulation(s) (including statutes, codes, Agency orders/memoranda and/or case law), or changes to County's policies, procedures, practices, or circumstances, any or all of which render performance under the AGREEMENT partially or completely impracticable or impossible under the AGREEMENT's existing terms;
- The United States Food and Drug Administration ("FDA") or another regulatory body approves (or issues an emergency use authorization for) a new therapy/ies or treatment modality/ies, there are changes to legal/regulatory requirements concerning the treatment of County's patients, and/or changes to the applicable standard of care that materially impact CONTRACTOR's ability to provide services and/or costs under the AGREEMENT; or
- CONTRACTOR's performance hereunder is impacted by any event related to a Public Health Emergency (PHE) declared pursuant to Section 319 of the Public Health Service Act, a Disaster declaration pursuant to the Stafford Act (2 U.S.C. §§ 5121-5207), or any similar announcement or proclamation made by the Federal Government or any Federal Agency, any Federally recognized Native American Tribe, or any State, County or Local Government pursuant to an analogous provision of Federal or non-Federal law or rule (each, an "Emergency Circumstance").

- 2.7.2 In the event of the occurrence of any Material Change Circumstance, upon notice from a Party, the Parties shall meet and in good faith renegotiate the terms of this AGREEMENT. Neither Party shall unreasonably delay or withhold consent to such negotiations, or the proposed modifications resulting from such negotiations. In the event the Parties are not able to reach mutually acceptable changes to the AGREEMENT after thirty (30) calendar days, either Party may thereafter terminate the AGREEMENT without cause or penalty upon providing ninety (90) days' notice thereafter.

3.0 PRICING AND BILLING

- 3.1 It is mutually agreed that if the County budget for the current year and/or any subsequent years covered under this AGREEMENT does not appropriate sufficient funds for the program, this AGREEMENT shall have no further force or effect. In this event, the County shall have no liability to pay any funds whatsoever to CONTRACTOR for services not already rendered or to furnish any other consideration under this AGREEMENT, and CONTRACTOR shall not be obligated to perform any provisions of this AGREEMENT. CONTRACTOR's assumption of risk of possible non-appropriation is part of the consideration for this AGREEMENT. County budget decisions are subject to the discretion of the Board of Supervisors.

If funding for any fiscal year is reduced or deleted by the County budget for purposes of this program, the County shall have the option to either cancel this AGREEMENT with no liability incurring to the County, or offer to amend the AGREEMENT with CONTRACTOR to reflect the reduced amount.

Prices shall remain firm for the initial term of this AGREEMENT. The County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.

- 3.2 In consideration for the medical, mental health, JBCT, and dental services to be performed by CONTRACTOR during the period January 1, 2026, through June 30, 2031, County agrees to pay CONTRACTOR, subject to funding approval, base compensation in the following amounts:
- January 1, 2026 through June 30, 2026 - \$11,750,000 in 2 equal installments of \$5,875,000 paid to CONTRACTOR on January 1, 2026 and April 1, 2026;
 - July 1, 2026 through June 30, 2027 – \$24,712,050 in equal monthly installments of \$2,059,337.50 paid to CONTRACTOR at the conclusion of the month services were rendered;
 - July 1, 2027 through June 30, 2028 – \$24,712,050 in equal monthly installments of \$2,059,337.50 paid to CONTRACTOR at the conclusion of the month services were rendered;
 - July 1, 2028 through June 30, 2029 – \$24,712,050 in equal monthly installments of \$2,059,337.50 paid to CONTRACTOR at the conclusion of the month services were rendered;

- July 1, 2029 through June 30, 2030 – \$26,755,305 in equal monthly installments of \$2,229,608.75 paid to CONTRACTOR at the conclusion of the month services were rendered;
- July 1, 2030 through June 30, 2031 – \$26,755,305 in equal monthly installments of \$2,229,608.75 paid to CONTRACTOR at the conclusion of the month services were rendered;

for a total amount not to exceed \$139,396,760 for the period beginning January 1, 2026, through June 30, 2031.

- 3.2.1 County will pay CONTRACTOR \$3.75 per day for each “excess incarcerated person” above an average daily incarcerated person population (ADP) of 1,100 incarcerated persons computed on a calendar quarterly average. This fee will be aggregated on a quarterly basis and billed separately by CONTRACTOR. This amount is to be approved by the Corrections Operations Bureau Chief Deputy and CONTRACTOR in writing.

Beginning July 1, 2027, and for each subsequent year thereafter through the term of this AGREEMENT the excess incarcerated person amount will be adjusted each year by applying the percentage change in the Consumer Price Index for Medical Care Services All Urban Consumers (CPI-U) in the West Region. The change in this index will be measured as of 1-year average using December of the prior year. The excess incarcerated person amount minimum annual increase will be 0% and the maximum increase will be 3%.

- 3.2.2 CONTRACTOR shall pay the County \$3.75 per day per incarcerated person when the ADP is below 725 incarcerated persons during each calendar quarter. This fee will be aggregated on a quarterly basis and billed separately by CONTRACTOR. This amount is to be approved by the Corrections Operations Bureau Chief Deputy and CONTRACTOR in writing.

Beginning July 1, 2027, and for each subsequent year thereafter through the term of this AGREEMENT this amount will be adjusted each year by applying the percentage change in the Consumer Price Index for Medical Care Services All Urban Consumers (CPI-U) in the West Region. The change in this index will be measured as of 1-year average using December of the prior year. The excess incarcerated person amount minimum annual increase will be 0% and the maximum increase will be 3%.

- 3.2.3 CONTRACTOR shall provide a monthly report to County which identifies the number of unfilled staffing hours during the preceding month. Beginning July 1, 2026, for any month in which there are more than twenty (20) unfilled cumulative staffing hours for any singular non-salaried or hourly position enumerated in Exhibit B, CONTRACTOR shall provide a credit on the next monthly invoice for all unfilled hours for that position which exceed twenty (20) hours. The credit shall be determined by the amount of the salary plus benefits of all positions with unfilled hours for each singular position during the preceding month that has been vacant for more than twenty (20) hours for the hours that exceed that amount.

- 3.2.4 CONTRACTOR shall provide a monthly report to County which identifies salaried/exempt positions enumerated in Exhibit B that have been vacant for a period of thirty (30) consecutive days. This period of time does not have to occur within a single calendar month. Beginning July 1, 2026, upon the thirty-first (31st) consecutive vacant day, CONTRACTOR shall pay County \$18,000 for each unfilled position and then \$9,000 every fifteen (15) consecutive vacant days thereafter until such position(s) are filled.

The salaried/exempt positions include but are not limited to:

- Health Services Administrator
- Director of Nursing
- Medical Director
- Implementation Contract Specialist
- Contract Compliance Specialist
- Psychiatrist
- JBCT Program Director
- Dentist
- Mental Health Program Coordinator

- 3.2.5 Sick call requests from incarcerated persons (whether received via written note or electronically) must be triaged within twenty-four (24) hours. CONTRACTOR shall provide a monthly report to County which identifies the number of sick call requests not triaged within twenty-four (24) hours. Beginning July 1, 2026, CONTRACTOR shall pay County \$30,000 each month there are fifteen (15) or more instances where CONTRACTOR fails to triage a sick call request within twenty-four (24) hours.

- 3.2.6 CONTRACTOR shall apply for National Commission on Correctional Health Care (NCCHC) Accreditation within twenty-four (24) months of the start date of this AGREEMENT. Beginning the twenty-fifth (25th) month and for every month thereafter this requirement is missed, CONTRACTOR shall pay the County \$40,000 a month until the application is submitted.

CONTRACTOR shall help the County obtain full NCCHC Accreditation within thirty-three (33) months of the start date of this AGREEMENT. For every month thereafter this requirement is missed, CONTRACTOR shall pay the County \$40,000 a month until full NCCHC Accreditation is achieved, through month forty-two (42) from the start date of the AGREEMENT.

If, after forty-two (42) months from the start date of this AGREEMENT CONTRACTOR has not helped County obtain full NCCHC Accreditation, CONTRACTOR shall pay the County \$60,000 a month until full Accreditation is achieved, through month fifty-one (51) from the start date of the AGREEMENT.

If, after fifty-one (51) months from the start date of this AGREEMENT CONTRACTOR has not helped County obtain full NCCHC Accreditation, Contractor shall pay the County \$80,000 a month until full Accreditation is achieved through month sixty (60) from the start date of the AGREEMENT.

If, after sixty (60) months from the start date of this AGREEMENT Contractor has not helped County obtain full NCCHC Accreditation, CONTRACTOR shall pay the County \$100,000 a month until accreditation achieved.

Any delay due to NCCHC Accreditation survey scheduling will not be held against CONTRACTOR.

In the event NCCHC revises their standards the CONTRACTOR shall adhere to the most current NCCHC standards at all times for the duration of the AGREEMENT.

3.2.7 CONTRACTOR agrees to pay County \$50,000 via invoice credit cumulative per month beginning July 2026 to support County fees in the matter of *Hernandez et al v. County of Monterey et. al.*, Case Number: 5:13-cv-02354-BLF.

3.2.8 Pharmaceutical Costs.

January 1, 2026 through June 30, 2027 CONTRACTOR will cover all pharmaceutical costs up to an aggregate cap of \$1,250,000;

July 1, 2027 through June 30, 2028 Contractor will cover all pharmaceutical costs up to aggregate cap of \$1,350,000;

July 1, 2028 through June 30, 2029 Contractor will cover all pharmaceutical costs up to an aggregate cap of \$1,425,000;

July 1, 2029 through the conclusion of this AGREEMENT Contractor will cover all pharmaceutical costs up to an aggregate cap of \$1,500,000.

Should pharmaceutical costs exceed the aggregate cap, the Sheriff's Office shall be responsible for those pharmaceutical costs in excess of the aggregate cap. CONTRACTOR agrees to provide County a monthly report on pharmaceutical expenditures.

3.2.9 Specialized Medication Coverage.

Medications for AIDS/HIV, Hepatitis C, and hemophilia/blood factor treatments are included in CONTRACTOR's total pharmaceutical expenditure aggregate cap as defined in Section 3.3.7 of this AGREEMENT.

CONTRACTOR agrees to provide a monthly report on expenditures for AIDS/HIV, Hepatitis C, and Hemophilia/blood factor treatments and medications in a format to be mutually agreed upon by the Parties.

In reference to this section, CONTRACTOR and County will only be responsible for costs of dispensed medication. County will not be responsible for the purchase of stock medication.

3.2.10 Medical Expenditures.

CONTRACTOR agrees to pay all Outpatient, Inpatient, Emergency Room, and Medical Transport Services up to an aggregate cap of \$2,000,000 (two million dollars) per fiscal year ending on June 30. The Sheriff's Office shall be responsible for any Outpatient, Inpatient, Emergency Room, and Medical Transport Service costs that exceed this aggregate cap. CONTRACTOR agrees to provide County a monthly report on medical expenditures.

CONTRACTOR agrees to pay outside providers of incarcerated person care, for which CONTRACTOR is responsible under the terms of this AGREEMENT, in a timely matter and no later than sixty (60) calendar days after receipt of an invoice from an outside provider. For purposes of this section, outside provider includes Natividad Medical Center.

Contractor shall not assume financial responsibility for any individual incarcerated person's medical/surgical inpatient costs that exceed \$17,500 per occurrence.

- 3.3 All County of Monterey Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).

Any other compensation adjustments shall be made in accordance with the Staffing Plan outlined in Exhibit B and Performance Metrics outlined in Exhibit D. If the County does not assess a penalty on any occasion(s) pursuant to the standards set forth in Exhibits B and D, it does not waive its right or ability to assess penalties in the future. County shall assess all outstanding penalties ninety (90) days after the last invoice provided by CONTRACTOR for this AGREEMENT.

- 3.4 County and CONTRACTOR agree that for all items and/or services covered by Medi-Cal and paid pursuant to the Medi-Cal Inmate Program (MCIP), CONTRACTOR will reimburse the County for 85% of the savings/reduced liability realized from the County's Participation in MCIP up to \$17,500. CONTRACTOR retains the remaining 15% of savings to cover its administrative costs related to participating in the MCIP.

CONTRACTOR shall remit reimbursement for the 85% savings in the form of a monthly invoice credit, based upon mutual agreement between CONTRACTOR and County, to the County no later than forty-five (45) calendar days after the reconciliation has been submitted to them by the County.

- 3.5 CONTRACTOR shall levy no additional fees or surcharges of any kind during the term of this AGREEMENT without first obtaining approval from County in writing.

- 3.6 CONTRACTOR and County agree to work collaboratively to develop an invoice that will assist in the administrative oversight of this AGREEMENT. Invoices will be submitted by CONTRACTOR monthly and include the following information:

3.6.1 County Department receiving services

- 3.6.2 Purchase order number under which the invoice is to be charged
- 3.6.3 Scope of Work
- 3.6.4 Dates of services (to include actual time spent per project)
- 3.6.5 An itemization of other reimbursable expenses approved by the County in writing, as applicable
- 3.6.6 Itemization of contract cost recovery fees as credit to County
- 3.7 The CONTRACTOR shall ensure that all services that should be billed to CalAIM will be made within the allowable time period and meet accuracy and completeness requirements to generate a "clean claim." The County reserves the right to collect service fees for those services that would be reimbursable but were not because they were not accurately processed (e.g., coding errors, late, etc.) or eligible services were not billed.
- 3.8 This is one of several agreements entered into pursuant to RFP #10939 and County shall allocate funds as needed.

4.0 TERM OF AGREEMENT

- 4.1 The duration of this AGREEMENT is five (5) years and six (6) months from January 1, 2026, to June 30, 2031, with by mutual consent, the ability to extend the AGREEMENT for two (2) additional one-year periods, unless sooner terminated pursuant to the terms of this Agreement, or one (1) additional two-year period with successful and maintained NCCHC Accreditation, unless sooner terminated by either Party in accordance with the terms of this AGREEMENT.
 - 4.1.1 County reserves the option to renew or extend this AGREEMENT.
 - 4.1.2 County is not required to state a reason if it elects not to renew.
- Both Parties shall mutually agree upon rate changes in writing via an amendment in order for any rate change to be binding.
- 4.2 This AGREEMENT shall have no force or effect until signed by both CONTRACTOR and County with County signing last, and CONTRACTOR may not commence work before County signs this AGREEMENT.
- 4.3 If County exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions in writing.
- 4.4 County reserves the right to cancel this AGREEMENT, or any extension of this AGREEMENT, without cause or penalty with ninety (90) calendar days written notice, or immediately with cause.

CONTRACTOR reserves the right to cancel this AGREEMENT, or any extension of this AGREEMENT, without cause or penalty with ninety (90) calendar days written notice.

Notice shall be given in accordance with Section 19.1 of this AGREEMENT.

County shall pay CONTRACTOR for all work performed under this AGREEMENT and all reasonable allowable expenses incurred to the effective date of termination, less any monies owed to the County.

5.0 COMPENSATION AND PAYMENTS

- 5.1 It is mutually understood and agreed by both Parties that CONTRACTOR shall be compensated under this AGREEMENT in accordance with **Section 3.0 (Pricing and Billing)** and, herein.
 - 5.1.1 Beginning January 1, 2026, and continuing for the duration of this AGREEMENT, County shall pay CONTRACTOR each installment as set forth in Section 3.2.
- 5.2 County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 5.3 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than thirty (30) calendar days.
- 5.4 Tax:
 - 5.4.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
 - 5.4.2 County is registered with the Internal Revenue Service, San Francisco office, and registration number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

6.0 INVOICES AND PURCHASE ORDERS

- 6.1 Invoices for all services rendered by CONTRACTOR per this AGREEMENT shall be billed directly to the County department or office that requested services.
- 6.2 CONTRACTOR shall reference RFP number #10939 on all invoices submitted to County. In accordance with Section 3.2 of this AGREEMENT, CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. County shall certify the invoice, either in the requested amount or in such other amount as County approves in conformity with this AGREEMENT and shall promptly submit such invoice to County Auditor-Controller for payment as set forth in Section 5.1.1.

- 6.3 All County of Monterey Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 6.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by County.

7.0 INDEMNIFICATION

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees), to the fullest extent of the law, occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents, and subcontractors. If the parties disagree regarding indemnification, they shall meet in good faith to attempt resolution; however, Contractor's duty to defend shall not be delayed or excused pending such discussions.

County shall not be required to indemnify, defend, or hold harmless Contractor, except to the extent that a claim arises from the sole negligence or willful misconduct of the County, and then only to the extent required by law.

The parties agree that Contractor's duty to defend is separate and independent from its duty to indemnify. Allocation of damages under comparative fault principles shall not affect Contractor's obligation to defend the County.

8.0 INSURANCE REQUIREMENTS

8.1 Evidence of Coverage:

Prior to commencement of an AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, CONTRACTOR upon request shall provide a certified copy of the policy or policies.

8.1.1 CONTRACTOR, prior to commencement of this AGREEMENT, shall provide to County, a "Certificate of Insurance" showing the coverages, limits and endorsements set forth below for all CONTRACTOR'S SUBCONTRACTORS certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate.

8.1.2 This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has

obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

8.1.2.1 CONTRACTOR shall provide County annually a current copy of all CONTRACTOR's Subcontractors' certificates of insurance within 15 days of expiration of the certificate.

8.1.2.2 CONTRACTOR shall provide County a current copy of all CONTRACTOR's Subcontractors' certificates of insurance within 15 days of change.

8.2 **Qualifying Insurers:**

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by County's Purchasing Officer.

8.3 **Insurance Coverage Requirements:**

Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of the AGREEMENT, a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$3,000,000 per occurrence, and \$6,000,000 in aggregate.

Auto Liability Insurance: must include all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of services under this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$2,000,000 per claim and \$6,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made while rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than on an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of the AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three (3) years following the expiration or earlier termination of the AGREEMENT.

Cyber Liability Insurance: If the CONTRACTOR will access, store, process or transmit Protected Health Information (PHI) or Personally Identifiable Information (PII), the CONTRACTOR must carry Cyber Liability Insurance (or Technology Errors & Omissions Insurance) with at least \$2,000,000 per claim and \$4,000,000 total coverage. The policy must cover data breaches and privacy violations, network security incidents, breach response services (such as notification, credit monitoring, and investigation), and regulatory fines and penalties, if insurable.

Umbrella/Excess Liability Insurance: CONTRACTOR may use umbrella or excess liability insurance to meet these limits, as long as the coverage is as broad as the primary insurance.

If CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the CONTRACTOR.

8.4 **Other Insurance Requirements:**

All insurance required by this AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

Each liability policy shall provide that County shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that County is an additional insured on insurance required from subcontractor.

8.5 **Additional Insured Status:**

The County of Monterey, its officers, officials, employees, agents, and volunteers must be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONTRACTOR. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers must be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

8.6 **Primary Coverage:**

For any claims related to this AGREEMENT, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County,

its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute to it. This requirement shall also apply to any Excess or Umbrella liability policies.

8.7 **Workers' Compensation Waiver of Subrogation:**

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against County, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against County, its officers, officials, employees, agents, or volunteers.

- 8.6 Prior to the execution of this AGREEMENT by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this AGREEMENT. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County, at its sole discretion, to terminate this AGREEMENT immediately.

8.7 **Security Requirements**

- 8.7.1 CONTRACTOR shall ensure it holds the insurance and required licenses under both, State and local jurisdictions and they remain current during the full term of the AGREEMENT.
- 8.7.2 CONTRACTOR is required to ensure that all services, costs, and materials must, at minimum, meet the specifications for State of California, California State CONTRACTOR'S License Board, and CAL/OSHA regulations, as applicable.
- 8.7.3 CONTRACTOR shall be required to submit appropriate State and Federal level criminal background clearance(s) for all personnel required to work within County facilities that are deemed restricted or high security, including but not limited to, Sheriff facilities and facilities where children, elderly, and dependent adults are present.
- 8.7.3.1 A California licensed Investigator must perform the required State and Federal level criminal background check(s) which must then be submitted to the County prior to the personnel being allowed to work within such County facilities.
- 8.7.3.2 Some County facilities require, California Law Enforcement

Telecommunications System (CLETS) clearance.

8.7.3.3 Criminal background checks performed in accordance with this section will be accepted from CONTRACTOR if completed within the last five (5) years.

8.7.3.4 The required background checks shall be completed prior to allowing the personnel to work within any of the Sheriff's facilities.

8.7.3.5 CONTRACTOR is responsible for the cost of the state level criminal background checks.

9.0 RECORDS AND CONFIDENTIALITY

- 9.1 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this AGREEMENT, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.
- 9.2 **County Records:** When this AGREEMENT expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this AGREEMENT.
- 9.3 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this AGREEMENT. CONTRACTOR shall maintain such records for a period of at least three (3) years after receipt of final payment under this AGREEMENT. If any litigation, claim, negotiation, audit exception, or other action relating to this AGREEMENT is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.
- 9.4 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. Pursuant to Government Code section 8546.7, if this AGREEMENT involves the expenditure of public funds in excess of \$10,000, the Parties to this AGREEMENT may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three (3) years after final payment under the AGREEMENT.
- 9.5 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs,

writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this AGREEMENT. CONTRACTOR shall not publish any such material without the prior written approval of County.

- 9.6 **Format of Deliverables:** For this section, “Deliverables” shall mean all electronic documents CONTRACTOR provides to the County under this AGREEMENT. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines (“WCAG”) 2.1, pursuant to the Americans with Disabilities Act (“ADA”). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format (“PDF”) and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: <https://webstandards.ca.gov/accessibility/>.
- 9.7 Any reports, information, data, statistics, forms, procedures, systems, studies and any other communication or form of knowledge given to or prepared or assembled by CONTRACTOR under this contract which County requests in writing to be kept confidential, will not be made available to any individual or organization by CONTRACTOR without the prior written approval of County except as authorized by law.

10.0 NON-DISCRIMINATION

- 10.1 During the performance of this AGREEMENT, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR’s employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this AGREEMENT, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this AGREEMENT shall not be deemed to be prohibited discrimination.

11.0 PERFORMANCE STANDARDS

- 11.1 **Independent Contractor:** In the performance of work, duties, and obligations under this AGREEMENT, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this AGREEMENT to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers’ compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR’s performance of this AGREEMENT. In

connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

- 11.2 Minimum Work Performance Percentage: CONTRACTOR shall perform with its own organization contract work amounting to not less than 50 percent (50%) of the original total AGREEMENT amount, except that any designated "Specialty Items" may be performed by subcontract and the amount of any such "Specialty Items" so performed may be deducted from the original total AGREEMENT amount before computing the amount of work required to be performed by CONTRACTOR with its own organization or per a consortium.
- 11.3 Non-Assignment: CONTRACTOR shall not assign this AGREEMENT, or the work required herein without the prior written consent of County, which shall not be unreasonably withheld, conditioned, or delayed.
- 11.4 Any subcontractor shall comply with all of County of Monterey requirements, including insurance and indemnification requirements as detailed in this AGREEMENT.

12.0 QUALITY ASSURANCE

- 12.1 CONTRACTOR shall work with the Monterey County Health Department concerning communicable disease screening, continuing medical surveillance, case management reporting, and incarcerated person referral to the community.
- 12.2 CONTRACTOR shall work with the Monterey County Health Officer who, pursuant to section 101045 of the California Health and Safety Code, must investigate health and sanitary conditions of every detention facility within the county.
- 12.3 The County retains the right to audit all of the CONTRACTOR's records relative to the performance of contract services and to make site inspections at any time to evaluate contract performance and compliance with industry standards, Title 15, and other policy and procedure requirements. The County may, at its own expense, contract with a neutral third party experienced in medical quality assurance reviews ("Quality Assurance Consultant"). The services of this third-party consultant may include items such as conducting periodic audits of incarcerated person medical records for treatment of medical conditions in order to evaluate the timeliness of care, appropriateness of assessment, treatment, and type of provider and level of care.
- 12.4 CONTRACTOR shall cooperate fully with County's Quality Assurance Consultant or any other County audit, including providing full and immediate access to records, including incarcerated person medical records.
- 12.5 CONTRACTOR shall work with County in providing any reports necessary to conduct necessary reviews and audits of CONTRACTOR's performance of services under this AGREEMENT. In addition, CONTRACTOR shall work with County Counsel to compile reports for the regular review of potential claims, litigation, or other legal issues concerning the provision of services under this AGREEMENT.

- 12.6 CONTRACTOR shall work with County in assisting in obtaining state, federal, or other grants for the provision of care to incarcerated persons in the Monterey County jail.
- 12.7 CONTRACTOR shall address any and all grievances from incarcerated persons concerning the provision of services under this AGREEMENT as required under the applicable County policies and procedures and the requirements of Title 15. In addition, CONTRACTOR shall be expected to make its staff available for court appearances and the preparation thereof, concerning the provision of services under this AGREEMENT and provide information to County Counsel and other relevant County offices to respond to grievances or complaints that are brought before the courts.
- 12.8 CONTRACTOR will at a minimum hold quarterly quality assurance/peer review committee meetings, designed to ensure the provision of quality care at Monterey County jail and promote effective communication among stakeholders and continuity of care for patients. Accordingly, in addition to CONTRACTOR's representatives, representatives from the Monterey County Sheriff's Custody Operations Bureau, Natividad Medical Center, and the Monterey County Department of Health will be encouraged to attend the quality assurance meetings.

13.0 CONFLICT OF INTEREST

CONTRACTOR covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this AGREEMENT. Without limitation, CONTRACTOR represents to and agrees with County that CONTRACTOR has no present, and will have no future, conflict of interest between providing County services hereunder and any other person or entity (including but not limited to any federal or state environmental or regulatory agency) which has any interest adverse or potentially adverse to County, as determined in the reasonable judgment of the Board of Supervisors of County.

14.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS

If this AGREEMENT has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this AGREEMENT, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

15.0 COMPLIANCE WITH APPLICABLE LAWS

- 15.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the performance of services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of this AGREEMENT.

- 15.2 **HIPAA Compliance.** CONTRACTOR agrees to operate its business in a manner as necessary to permit County to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards"). CONTRACTOR has agreed to and signed the BUSINESS ASSOCIATE AGREEMENT attached hereto as Exhibit C.
- 15.3 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the performance of this AGREEMENT.
- 15.4 All documentation prepared by CONTRACTOR shall provide for services that conform to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

16.0 FORCE MAJEURE

- 16.1 "Force Majeure" means any cause beyond the reasonable control of a party, including but not limited to acts of God, civil or military disruption, fire, strike, flood, riot, war, or inability due to the aforementioned causes to obtain necessary labor, materials or facilities.
- 16.2 If any Party hereto is delayed or prevented from fulfilling its obligations under this AGREEMENT by Force Majeure, said Party will not be liable under this AGREEMENT for said delay or failure, nor for damages or injuries resulting directly from the inability to perform scheduled work due to Force Majeure.
- 16.3 CONTRACTOR shall be granted an automatic extension of time commensurate with any delay in performing scheduled work arising from Force Majeure. CONTRACTOR agrees to resume such work within three (3) calendar days after the Force Majeure has subsided enough to do so.

17.0 RIGHTS AND REMEDIES OF THE COUNTY FOR DEFAULT

- 17.1 If CONTRACTOR defaults in the performance of any term or condition of this contract, CONTRACTOR must cure that default by satisfactory performance within thirty (30) calendar days after service upon CONTRACTOR of written notice of the default. If CONTRACTOR fails to cure the default within that time, then County may terminate this contract in writing without further notice.
- 17.2 In the case of default by CONTRACTOR, County may procure the articles or services from other sources and may recover the loss occasioned thereby from any unpaid balance due to CONTRACTOR or by suit against CONTRACTOR. The prices paid by County shall be considered the prevailing market price at the time such purchase(s) may be made. Inspections of deliveries or offers for deliveries that do not meet specifications shall be made at the expense of CONTRACTOR.

18.0 DAMAGE

CONTRACTOR shall be held responsible for any breakage, loss of the County's equipment or supplies through negligence of the CONTRACTOR or its employee while working on the County's premises. In such event, CONTRACTOR shall be responsible for restoring/replacing any equipment, facilities, etc. so damaged. The CONTRACTOR shall immediately report to the County any damages to the premises resulting from services performed under this AGREEMENT.

19.0 NOTICES

19.1 Notices required under this AGREEMENT shall be delivered personally or by first-class, postage prepaid mail and electronic mail to the County and CONTRACTOR'S contract administrator at the addresses listed below:

Notices mailed or faxed to the parties shall be addressed as follows:

TO COUNTY:
Monterey County Sheriff's Office
Attn: Contract Purchasing Officer
1414 Natividad Rd.
Salinas, CA 93906
Tel. No.: (831) 755-4990
xxxxxxxx@countyofmonterey.gov

TO CONTRACTOR:
CHPMONTEREY, Inc.
Attn: Dr. Peter Freedland
4365 Executive Dr. Suite 540
San Diego, CA 92121
Tel. No.: (954) 299-9225
peter.freedland@chphealth.com

19.2 **Miscellaneous Provisions**

- 19.2.1 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 19.2.2 **Waiver:** Any waiver of any terms and conditions of this AGREEMENT must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this AGREEMENT shall not be construed as a waiver of any other terms or conditions in this AGREEMENT.
- 19.2.3 **CONTRACTOR:** The term "CONTRACTOR" as used in this AGREEMENT includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this AGREEMENT.
- 19.2.4 **COUNTY:** The term "County" as used in this AGREEMENT includes County of Monterey, its officers, agents, and employees acting on County's behalf in the performance of this AGREEMENT.
- 19.2.5 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

- 19.2.6 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations under this AGREEMENT without the prior written consent of the County, which shall not be unreasonably withheld, conditioned, or delayed. None of the services covered by this AGREEMENT shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this AGREEMENT.
- 19.2.7 **Successors and Assigns:** This AGREEMENT and the rights, privileges, duties, and obligations of the County and CONTRACTOR under it, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the Parties and their respective successors, permitted assigns, and heirs.
- 19.2.8 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this AGREEMENT.
- 19.2.9 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this AGREEMENT.
- 19.2.10 **Non-exclusive Agreement:** This AGREEMENT is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 19.2.11 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this AGREEMENT and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this AGREEMENT or any amendment to this AGREEMENT.
- 19.2.12 **Counterparts:** This 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 Agreement.
- 19.2.13 **Authority:** Any individual executing this AGREEMENT on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this AGREEMENT on behalf of such party and bind the party to the terms and conditions of this AGREEMENT.
- 19.2.14 **Integration:** This AGREEMENT, including the exhibits, represent the entire agreement between the County and the CONTRACTOR with respect to the subject matter of this AGREEMENT and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this AGREEMENT, which is the date that the County signs the AGREEMENT.
- 19.2.15 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this AGREEMENT and the provisions of any exhibit or other attachment to this AGREEMENT, the provisions of this AGREEMENT shall prevail and control.

- 19.2.16 **Substitution:** If particular people are identified by CONTRACTOR in Exhibit A or B as working under this contract, CONTRACTOR will not assign others to work in their place without written permission from the Sheriff's Office. Any substitution will be with a person of commensurate experience and knowledge.
- 19.2.17 **Investigation and Research:** CONTRACTOR by investigation and research has acquired reasonable knowledge of all conditions affecting the work to be done and labor and material needed, and the execution of this contract is to be based upon such investigation and research, and not upon any representation made by County or any of its officers, agents or employees, except as provided herein.
- 19.2.18 **Contract Monitoring:** County will have the right to review the work being performed by CONTRACTOR under this AGREEMENT at any time during CONTRACTOR's usual working hours. Review, checking, approval or other action by County will not relieve CONTRACTOR of its responsibility for the thoroughness of the services to be provided hereunder. This AGREEMENT will be administered by Monterey County Sheriff's Office and/or their authorized representative(s).
- 19.2.19 **Cumulative Remedies:** The exercise or failure to exercise legal rights and remedies by either Party in the event of any default or breach hereunder will not constitute a waiver or forfeiture of any other rights and remedies, and will be without prejudice to the enforcement of any other right or remedy available by law or authorized by this AGREEMENT.
- 19.2.20 **Construction Covenants and Conditions:** Each term and each provision of this AGREEMENT will be construed to be both a covenant and a condition.
- 19.2.21 **Contamination and Pollution:** CONTRACTOR, solely at its own cost and expense, will provide clean-up of any premises, property or natural resources contaminated or polluted due to CONTRACTOR activities. Any fines, penalties, punitive or exemplary damages assigned due to CONTRACTOR'S contaminating or polluting activities will be borne entirely by CONTRACTOR. In the event that both County and CONTRACTOR are responsible for contaminating or polluting activities, then each will provide clean-up of any premises, property, or natural resources contaminated or polluted and will be responsible for their proportionate share of any fines, penalties, punitive or exemplary damages assigned.

20.0 LEGAL DISPUTES

- 20.1 CONTRACTOR agrees that this AGREEMENT and any dispute arising from the relationship between the Parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.
- 20.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

- 20.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute but expressly reserves its right to terminate this AGREEMENT in accordance with Section 4.4 of the AGREEMENT.

21.0 MATERIAL BREACH, TERMINATION, PERFORMANCE SECURITY, AND DEFAULT

- 21.1 Due to the importance of CONTRACTOR's services in providing health care to Monterey County incarcerated persons and protecting the health and safety of incarcerated persons, the County must do everything possible to eliminate the potential for a system failure. Accordingly, the County may declare CONTRACTOR in Material Breach of the Agreement for the following reasons:
- 21.1.1 Failure of CONTRACTOR to operate in a manner which enables the County and CONTRACTOR to maintain compliance with Court orders in *Hernandez et al v. County of Monterey et. al.*, Case Number: 5:13-cv- 02354-BLF.
 - 21.1.2 Chronic failure of CONTRACTOR to timely administer tuberculosis testing as required in Court orders in *Hernandez et al v. County of Monterey et. al.*, Case Number: 5:13-cv-02354-BLF. This will not be considered a breach if County's failure to provide sufficient custody officers contributes to the failure to meet the mandates of the Court Orders in *Hernandez et al v. County of Monterey et. al.*, Case Number: 5:13-cv-02354-BLF. "Chronic failure" for the purposes of section 21.1.2 shall be defined as twice in a 30-day period or four (4) times in a six-month period.
 - 21.1.3 Failure to provide staffing for any individual staffing position called for in the AGREEMENT for a period of more than sixty (60) days, in the aggregate per calendar year.
 - 21.1.4 Failure of CONTRACTOR to maintain the required insurance in accordance with the terms of the AGREEMENT.
 - 21.1.5 Chronic failure to submit reports and information under the terms and conditions outlined in the AGREEMENT and any subsequent agreement. "Chronic failure" for the purposes of section 21.1.5 shall be defined as failure to perform the identified task two (2) consecutive times.
 - 21.1.6 Failure to cure a breach of any other term of this AGREEMENT after written notice from the County and reasonable opportunity to cure.
 - 21.1.7 Any failure of performance required in the AGREEMENT which is determined by the Monterey County Health Officer to constitute an imminent threat to incarcerated person or public health and safety.
 - 21.1.8 Failure to be NCCHC compliant within 51 months after the AGREEMENT start date.
 - 21.1.9 Failure to obtain full NCCHC Accreditation within 51 months after the contract start

date.

- 21.2 In the event of any Material Breach by CONTRACTOR as defined in Section 21.1, the County shall have all rights and remedies available at law or in equity under the AGREEMENT. The County's remedies shall be cumulative and in addition to any other remedy available to the County.
- 21.3 County may terminate this AGREEMENT in the event of any Material Breach by CONTRACTOR as defined in Section 21.1. Except for a Material Change Circumstance under Section 2.8 (which allows for immediate termination of this Agreement), as a condition precedent to termination by County. County shall provide CONTRACTOR with no less than thirty (30) calendar days' advance written notice citing, with specificity, the basis for the Material Breach (the "Breach Notice"). Within five (5) calendar days of receipt of the "Breach Notice", CONTRACTOR shall deliver to the County in writing, a plan to cure such breach. The CONTRACTOR shall have the right to cure a Material Breach within thirty (30) calendar days of receipt of the "Breach Notice". In the event, CONTRACTOR cures the Material Breach within such thirty (30) day period, or a longer period as may be specified in the Breach Notice, this AGREEMENT shall remain in full force and effect. If County deems CONTRACTOR to remain in Material Breach as of the end of the cure period specified in the Breach Notice, the County may provide CONTRACTOR with a notice of termination ("Termination Notice"), setting forth the specific reasons County believes CONTRACTOR remains in Material Breach and the effective date of termination ("Termination Date").
- 21.4 In the event of continuous or repeated material breaches of the same nature despite intermittent cures by the CONTRACTOR, County may immediately terminate the AGREEMENT.
- 21.5 In the case of default by CONTRACTOR, a Material Breach which CONTRACTOR fails to cure, or continuous or repeated material breaches of the same nature, County may procure the articles or services from other sources and may recover the loss occasioned thereby from any unpaid balance due to CONTRACTOR, if any, or by suit against CONTRACTOR.

22.0 DISENTANGLEMENT

22.1 General Obligations

- 22.1.1 CONTRACTOR and any Subcontractors will transition to County or to any replacement provider designated by County without any interruption of, or adverse impact on, the services or any other services provided by third parties, attributable to any negligent, or otherwise wrongful act or omission of CONTRACTOR, its officers, directors, attorneys, employees, or agents (the "Disentanglement").
- 22.1.2 CONTRACTOR will cooperate with County and any new service provider and will promptly take all steps required to assist County in effecting a complete Disentanglement before the end date of the AGREEMENT.
- 22.1.3 CONTRACTOR will provide all information regarding the services as needed for Disentanglement.

22.1.4 All services related to Disentanglement will be deemed a part of this AGREEMENT and will be performed by CONTRACTOR at no additional cost to County beyond what County would pay for the services, absent the performance of the Disentanglement services.

22.2 Disentanglement Process

22.2.1 The Disentanglement process will begin on any of the following dates:

- (a) The date County notifies CONTRACTOR that no funds or insufficient funds have been appropriated so that this AGREEMENT will be terminated;
- (b) The date any Termination Notice is delivered, if either Party elects to terminate this AGREEMENT pursuant to Section 4.0 (Term of Agreement);
- (c) The date that CONTRACTOR's obligation to perform services, and County's obligation to pay for such services expires; or
- (d) At the end of the initial or extended term of this AGREEMENT.

22.2.2 CONTRACTOR and County will discuss in good faith a plan for determining the nature and extent of CONTRACTOR's Disentanglement obligations and for the transfer of services in process provided, however, that CONTRACTOR's obligation under this AGREEMENT to provide all services necessary for Disentanglement will not be lessened in any respect.

22.2.3 After one hundred and twenty (120) days from the date of expiration of this Contract, CONTRACTOR shall no longer have any obligation to provide the services detailed in Section 21.2.2 unless both parties agree in writing exigent circumstances exist which require performance of this subsection beyond the one hundred and twenty (120) days.

22.3 Specific Obligations

The Disentanglement will include performance of the following specific obligations:

- 22.3.1 Continue claims administration until the new service provider has provided notice of transition of claims;
- 22.3.2 Provide all workers' compensation claim files to the new service provider;
- 22.3.3 Cooperate in transition of electronic data and files to new service provider; and
- 22.3.4 Cooperate in responding to questions regarding the transition process.

22.4 Full Cooperation and Information

22.4.1 Upon Disentanglement, the Parties will cooperate fully with one another to facilitate a smooth transition of the services being terminated from CONTRACTOR to County or

County's designated replacement provider.

22.4.2 Such cooperation will include CONTRACTOR providing (both before and after the cessation of CONTRACTOR's provision of all or any part of the services under this AGREEMENT) to County full, complete, detailed, and sufficient information (including all information then being utilized by CONTRACTOR) to enable County's personnel (or that of third parties) to fully assume and continue the provision of services without interruption.

22.5 No Interruption or Adverse Impact

CONTRACTOR will cooperate with County and all of County's other service providers to ensure a smooth transition at the time of Disentanglement, with no interruption of services, no adverse impact on the provision of services or County's activities, no interruption of any services provided by third parties, and no adverse impact on the provision of services provided by third parties.

22.6 All Necessary Cooperation and Actions

CONTRACTOR will cooperate take such additional actions, and perform such additional tasks, as may be necessary to ensure a timely Disentanglement in compliance with the provisions of this section, including full performance of its obligations under this section on or before the termination of this AGREEMENT.

23.0 CONSENT TO USE OF ELECTRONIC SIGNATURES

23.1 The Parties to this AGREEMENT consent to the use of electronic signatures via DocuSign to execute this AGREEMENT . The Parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et. seq, California Government Code Section 16.5; and California Civil Code Section 1633.1 et. seq. Pursuant to said state and federal law as may be amended from time to time, the Parties to this AGREEMENT hereby authenticate and execute this AGREEMENT, and any and all Exhibits to this AGREEMENT, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

23.2 Counterparts

The Parties to this AGREEMENT understand and agree that this AGREEMENT can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned PDF counterpart via email transmittal.

23.3 Form: Delivery by E-Mail or Facsimile

Executed counterparts of this AGREEMENT may be delivered by facsimile transmission or delivery of a scanned counterpart in PDF by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be

deemed to have the same force and effect if the manually signed counterpart or counterparts had been delivered to the other party in person.

SIGNATURE PAGE

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____

Contracts/Purchasing Officer

Date: _____

By: _____

Department Head (if applicable)

Date: _____

By: _____

Board of Supervisors (if applicable)

Date: _____

Approved as to Form

County Counsel Susan K Blitch,
County Counsel

By: _____

County Counsel

Date: _____

Approved as to Fiscal Provisions

By: _____

Auditor/Controller

Date: _____

Review as to Liability Provisions

Office of the County Counsel-Risk Management

By: _____

Risk Manager

Date: _____

CONTRACTOR

CHPMONTEREY, INC.

By: _____

(Signature of Chair, President, or
Vice-President) *

Date: _____

By: _____

(Signature of Secretary, Asst. Secretary,
CFO, Treasurer or Asst. Treasure) *

Date: _____

County Board of Supervisors' Agreement No. _____, approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign

¹Approval by the Office of the County Counsel is required.

²Approval by Auditor-Controller is required.

³Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.