

AGREEMENT FOR TRANSPORTATION SERVICES

between

NORTH LOS ANGELES COUNTY REGIONAL CENTER, INC.

and

VENDOR NAME

ADDRESS

FOR SERVICES IN THE

SAN FERNANDO VALLEY AND SANTA CLARITA VALLEY

VENDOR #: _____ (TRANSPORTATION SERVICES) and _____ (ATTENDANT SERVICES)

SERVICE CODES: 875 (TRANSPORTATION CO.) and 882 (ATTENDANTS)

TERM: FIVE YEAR TERM

TAX IDENTIFICATION: #

Contact Person:

Billing Address:

TABLE OF CONTENTS

1.	PARTIES TO THE AGREEMENT.....	1
2.	AUTHORIZED REPRESENTATIVES; SEPARATION OF OWNERSHIP.	1
3.	CERTAIN DEFINITIONS.....	2
4.	TERM OF THE AGREEMENT; PERFORMANCE REVIEWS.	3
5.	SCOPE OF WORK.....	5
6.	ADMINISTRATION AND REPORTING.	5
7.	PLANNING, ROUTING AND SCHEDULING.....	9
8.	OPERATIONS.....	11
9.	SERVICE DESCRIPTION AND QUALITY REQUIREMENTS.....	20
10.	IMPLEMENTATION OF ROUTES.....	23
11.	COMPENSATION AND FISCAL PROVISIONS.....	24
12.	MONITORING, INSPECTIONS AND AUDIT PROVISIONS.	31
13.	TERMINATION.....	34
14.	COMPLIANCE WITH APPLICABLE GOVERNING PROVISIONS.....	37
15.	INSURANCE.....	39
16.	INDEMNIFICATION OF CENTER.....	41
17.	AMENDMENTS AND WAIVERS.	42
18.	INDEPENDENT CONTRACTOR STATUS.....	42
19.	LIMITATION ON CONTRACTOR’S THIRD PARTY COMMITMENTS.	43
20.	ATTORNEYS’ FEES AND COSTS.	43
21.	NOTICES.....	43
22.	FORCE MAJEURE, SERVICE REASSIGNMENTS AND RATIONING.....	43
23.	SUBCONTRACTING AND ASSIGNMENTS.	44

24. **CONTRACT INTERPRETATION AND ENFORCEABILITY**45

25. **INTEGRATED AGREEMENT; NO TERMS NOT INCLUDED;
CONFLICTING PROVISIONS**44

26. **REPLACEMENT**44

27. **AUTHORIZED REPRESENTATIVES; COUNTERPARTS; DELIVERY**.....44

DRAFT

AGREEMENT FOR TRANSPORTATION SERVICES

This Agreement For Transportation Services (this “**Agreement**”), dated for reference purposes only as of December 12, 2022, is entered into by and between NORTH LOS ANGELES COUNTY REGIONAL CENTER, INC., a California nonprofit corporation (“**Center**” or “**NLACRC**”) and **Vendor Name, entity** (“**Contractor**”). The parties enter into this Agreement with reference to the following facts:

RECITALS

- A. Center requires specialized transportation services for Regional Center consumers with developmental disabilities in the San Fernando and Santa Clarita Valleys, which are within Center’s service area.
- B. Contractor represents that it has experience and expertise in the business of providing specialized transportation and wishes to provide such services to Center.
- C. Contractor represents that it has been vendored to provide transportation services in accordance with the requirements of California Code of Regulations, 17 CCR, Division 2 and the California Department of Developmental Services (“**DDS**”).
- D. Contractor agrees to provide efficient, safe and cost effective transportation to Center’s consumers, and Center agrees to compensate Contractor for such services, pursuant to the terms and conditions of this Agreement.

THEREFORE, based on the facts set forth above, Center and Contractor agree as follows:

1. **PARTIES TO THE AGREEMENT.** The parties to this Agreement are:

- 1.1 North Los Angeles County Regional Center, Inc., having its principal office at 9200 Oakdale Avenue, Suite 100, Chatsworth, CA 91311; and
- 1.2 Contractor

2. **AUTHORIZED REPRESENTATIVES; SEPARATION OF OWNERSHIP.**

Representatives of the respective parties who are authorized to administer this Agreement, and to whom formal notices, demands and communications shall be given, are as follows:

- 2.1 The Representative of Center shall be the Executive Director, Ruth Janka, and in her absence, designated staff persons of Center.
- 2.2 The Representative of Contractor shall be Mike Ake, Senior Vice President – Operations, and in his absence, designated staff persons of Contractor.

3. CERTAIN DEFINITIONS.

- 3.1 “**17 CCR**” refers generally (or specifically as cited) to the California Code of Regulations, Title 17, Division 2 (Department of Developmental Services).
- 3.2 “**Actual Miles**” means the combined total of (1) Deadhead Miles (defined below) and (2) actual miles traveled during Vehicle Service Hours (defined below) which encompass an entire vehicle route or route portion in connection with Contractor’s providing of Transportation Services.
- 3.3 “**Attendant**” or “**Aide**”, if any, is a person assigned by Center to a route or a site for the purpose of assisting and monitoring consumers receiving Contractor’s Transportation Services. The Attendant or Aide shall be an employee of Contractor.
- 3.4 “**Broker**” (or “**Broker/Designee**”) refers to a separate vendored service provider with which Center contracts for specified transportation functions which also relate to this Agreement. The Broker’s services commonly include the establishment and maintenance of a transportation database, planning and scheduling of consumer trips, route design and maintenance, direct contacts with consumers and families, and resolution of complaints or operational problems which may impact safety, quality and/or cost effectiveness. For purposes of this Agreement, Center may additionally delegate to the Broker any function otherwise reserved to Center if not specifically listed herein.
- 3.5 “**Center**” includes all officers and employees of Center plus any Designee, including the Broker as designee. Center shall identify in writing all designees to Contractor.
- 3.6 “**Contractor**” includes all officers and employees of Contractor, plus any agent, person, corporation or other entity rendering any services under this Agreement on behalf of Contractor.
- 3.7 “**Deadhead Miles**” means the miles (or amount of time) (1) between the point where a vehicle leaves the parking yard (or other starting location for that day) on a route for the purpose of Transportation Services, and the point where the vehicle picks up the first consumer (2) between the point where the vehicle drops off the last consumer, and the point where the vehicle returns to the parking yard or other ending location for that day (including travel to and from refueling stations if a part of the route).
- 3.8 “**Rate of Payment**” means the price(s) charged to Center by Contractor, and paid to Contractor by Center, for each unit of service, as identified in the Payment Agreements attached hereto as Attachment A and incorporated herein by this reference (collectively, the “**Payment Agreements**”).

- 3.9 “**Special Incidents**” are defined by 17 CCR, Sections 54302(a)(53) and (62), and include the following events in which consumers are involved:
- 3.9.1 Any incident involving a serious bodily injury when the consumer is under the care and supervision of Contractor;
 - 3.9.2 Any incident in which a consumer is missing when the consumer is under the care and supervision of Contractor, and sufficient time has passed (but in any event not to exceed twenty-four (24) hours) so that a missing persons report is required by law to be filed concerning the consumer; and
 - 3.9.3 The death of any consumer, regardless of cause or living arrangement.
- 3.10 “**Transportation Services**” means Contractor’s conveyance of consumers, including boarding and exiting the vehicle.
- 3.11 “**Vehicle Service Hours**” (which will be calculated on a “live” time basis) is defined as the time from the point of the first consumer pick-up to the last consumer drop-off on given portion of Contractor’s daily route assignment. Any miles traveled during which consumers are not aboard a bus will be considered Deadhead Miles. However, any such Deadhead Miles that are traveled between dropping off a consumer on one (1) portion of a route and picking up a consumer on a subsequent portion of that same route, and that is less than sixty (60) minutes in duration, will be included in the Vehicle Service Hours calculation. Any Deadhead Miles traveled of sixty (60) minutes or more between portions of a route will be considered as unpaid time. Deadhead Miles traveled from the bus yard or parking location to the first pick-up, and from the last drop-off back to the bus yard or parking location, will not be included in the Vehicle Service Hours calculation.
- 3.12 “**Attendant Service Hours**” will be calculated as follows: the Attendant Service Hours calculation will begin as soon as the Attendant is on board the assigned vehicle, even if the Vehicle Service Hours calculation has not yet begun. If an Attendant boards the vehicle midway on any given portion of a route, the Attendant Service Hours calculation will begin at the time the Attendant boards the vehicle. If an Attendant boards their assigned vehicle at the bus yard or parking location, the Attendant Service Hours calculation will begin at such time. The Attendant Service Hour calculation will end at the time the Attendant is no longer on their assigned vehicle.

4. TERM OF THE AGREEMENT; PERFORMANCE REVIEWS.

The term of this Agreement is for a period of five (5) years, starting Month 1, CCYY and ending Month DD, CCYY.

- 4.1 Performance Reviews. Center shall conduct performance reviews approximately quarterly during each year of this Agreement, as described in greater detail in this Paragraph 4.1 and Paragraph 12.10 below. To obtain a satisfactory performance review rating, Contractor must meet or exceed all of Center’s minimum performance criteria, which shall include, but not be limited to, the following:
- 4.1.1 Maintenance of 95 percent or greater on-time performance in the pickup and drop off of consumers;
 - 4.1.2 Satisfactory ratings on consumer satisfaction surveys and/or site visits conducted by Center;
 - 4.1.3 Satisfactory ratings on Center’s performance standards;
 - 4.1.4 Satisfactory safety records and safety program; and
 - 4.1.5 Satisfactory ratings on audit and/or inspection(s) of Contractor’s vehicles, maintenance records, facilities, incident reporting and driver performance reviews.
 - 4.1.6 Satisfactory ratings in the additional areas identified in Paragraphs 12.10, 12.10.1 and 12.10.2 below.
- 4.2 The Self-Certification. The first step in Center’s quarterly performance review process described in Section 4.1 above and Section 12.10 below will be for Contractor to deliver to Center a “**Self-Certification**” signed by Contractor under penalty of perjury. (Center will generate the form of the Self-Certification and deliver it to Contractor for its use). The Self-Certification shall be completed and signed by Contractor and shall (1) certify that on the date of the Self-Certification, Contractor is in compliance with each of its performance obligations in this Agreement (using a check box format as set forth in the Self-Certification) or, to the extent Contractor is not in compliance, (2) identify those areas out of compliance and include a proposed corrective action plan which also sets forth the expected dates by which Contractor shall correct each such non-compliant area of performance; such correction dates shall not exceed those time periods set forth in this Agreement to cure such deficiencies. Center has the right to approve any corrective action plan suggested by Contractor in the Self-Certification, and to audit Contractor to insure (1) the accuracy of the Self-Certification and (2) Contractor’s timely compliance with the approved corrective action plan. Contractor’s failure to meet the deadlines in Center-approved corrective action plan shall constitute a breach of this Agreement by Contractor. The purpose of the Self-Certification is to assist Center in completing its performance reviews; nothing herein is intended to limit Center’s other rights and remedies under this Agreement. Contractor shall deliver the signed Self-Certification to Center on the following dates each year: June 30th, September 30th, December 31st and February

28th. If any of such dates is a weekend or holiday, Contractor shall deliver the Self-Certification to Center on the next workday.

- 4.3 For purpose of this Agreement, any and all references herein to “the term of this Agreement” shall include any renewals and/or extensions hereof, unless specifically provided to the contrary.
- 4.4 The representations, indemnities and other promises of the parties as set forth herein shall survive the termination of this Agreement.
- 4.5 If Contractor provides any Transportation Services to Center’s consumers after the expiration of the term, Center shall have the right and option to terminate such arrangement at any time and without cause on 30 days written notice.

5. SCOPE OF WORK.

- 5.1 Contractor shall, at the times and locations specified by Center, furnish vehicles, drivers and Attendants, administrative and support staff, special equipment as specified herein, facilities and other equipment and supplies as required, to provide safe, reliable and efficient Transportation Services to program sites designated by Center for authorized consumers who reside in Center’s service area.
- 5.2 In accordance with 17 CCR, Section 50608 (Contract Duties and Responsibilities), Contractor agrees that the level of services provided pursuant to this Agreement shall, at a minimum, be consistent with the provisions of (1) this Agreement, (2) any other program design required by Center and (3) Contractor’s Program Design attached hereto as Attachment B (the “**Program Design**”). Center and DDS have relied on such documents in establishing the Rate of Payment in the Payment Agreements. The Program Design is a part of this Agreement; Contractor shall at all times comply with the provisions in the Program Design and the Program Design shall comply with the provisions of 17 CCR, Section 50608(a)(2). If any conflict exists between the terms of this Agreement and the scope of Contractor’s services and obligations set forth in the Program Design, the provisions that most broadly protect the Regional Center’s consumers shall control.
- 5.3 This is not an exclusive contract. Center has the right and option to hire other service providers to also provide transportation services to Center’s consumers in the San Fernando and Santa Clarita Valleys, as well as at other locations within Center’s catchment area, on terms acceptable to Center at its sole discretion.

6. ADMINISTRATION AND REPORTING.

Contractor shall administer services in accordance with the provisions of this Agreement, maintain records and provide Center and/or its Broker/Designee with reports of consumer

ridership, service and performance as indicated in this Agreement, in order to fulfill Center's reporting requirements to sponsoring agencies, and to enable Center to monitor and evaluate the performance of Contractor's services pursuant to this Agreement. Upon Center's request, Contractor shall provide additional information necessary for Center to fulfill Center's reporting requirements. Contractor's records and reports shall include the following:

6.1 Accounting and Service Reporting:

6.1.1 Internal Controls. Contractor shall establish and maintain a clear system of internal control, established in accordance with generally accepted accounting practices and in compliance with all relevant Federal, State, and local statutes and guidelines.

6.1.2 Information to be Included with Invoices. Contractor shall prepare and submit a monthly invoice and supporting documentation as required by this Agreement, in a format approved by Center, which shall include:

(a) A Summary of Performance Information, including:

1. total passengers served, identified by sponsoring regional center or funding source as identified to Contractor by the Broker;
2. total Actual Miles traveled for the month;
3. total miles traveled for the month during Vehicle Service Hours;
4. total authorized Vehicle Service Hours for the month;
5. total service days for the month;
6. maximum number of vehicles used per day to transport consumers;
7. maximum number of spare vehicles available per day for use during the month;
8. total authorized Attendant Service Hours for the month;
9. total dollars billable for the month;
10. proration of total amount billable to include separate billings to other regional centers and/or private consumers.

(b) A Summary of General Information, which shall include, for each day of service, Attendant identification, route or site assignment worked, and number of authorized hours billed.

6.1.3 Route Logs. Upon Center's or Broker's request, Contractor shall provide completed route logs for specific days or routes, when such requests are related to a reported incident or to other consumer or performance monitoring issues which affect or may affect the cost or quality of service, or the safety and welfare of the consumers being transported. Contractor

will retain on site all completed route logs for a minimum period of five (5) years, for review by Center or Broker, in accordance with 17 CCR, Section 50603(a) (Regional Center Auditing Requirements).

6.2 Incident Reporting.

6.2.1 Notice of Special Incidents. Contractor shall timely report all Special Incidents (as defined in Paragraph 3.9 of this Agreement), to Center in accordance with 17 CCR, Section 54327 (Requirements for Special Incident Reporting by Vendors) and as follows:

- (a) Contractor shall submit a verbal report by telephone to Center at (818) 778-1900 directly, and via the Broker/Designee at (800) 966-7114, the same day and as soon as possible, and in no case later than the end of the same business day that the accident/incident occurs. Contractor may submit a verbal report directly to Center via Center's voicemail or twenty-four (24) hour answering service procedure, if the report is being made after Center's or Broker/Designee's business hours. If Contractor cannot reach an appropriate Center or Broker staff by telephone, Contractor shall send a message to Center's Risk Assessment unit by email to SIR@nlarc.org or by facsimile to (818) 756-6475, and to Broker/Designee by email to irpt-nlarc@rdtsi.com or by facsimile to R&D Fax (866)529-6102 during working hours or by Center's answering service after hours, and Contractor shall document its attempt to contact Center.
- (b) Contractor shall submit a written report by email or fax on all Special Incidents to Center and the Broker/Designee as soon as possible and no later than within 48 hours of the incident.
- (c) Contractor's written incident reports for Special Incidents shall contain at least the following basic information:
 - 1. identification of consumer(s) and/or other parties involved (including names of any alleged perpetrators and/or witnesses as applicable);
 - 2. description of occurrence and any effect on consumers and others;
 - 3. any treatment or medical intervention provided to consumer(s);
 - 4. any initial action taken by Contractor's personnel, the consumer or other individuals during and/or in response to the incident;
 - 5. any additional follow-up action planned by Contractor;

6. any law enforcement, licensing, protective services and/or other agency involved in the Special Incident; and
7. identification of family members and/or the consumer's authorized representative, if applicable, who have been contacted or informed of the incident.

6.2.2 Notice of Events Other Than Special Incidents. Contractor shall immediately orally notify the Broker/Designee, and also report in writing to Center within twenty-four (24) hours: (1) any accident involving a vehicle of Contractor which occurs when any Center consumer is on board, whether or not involving an injury and (2) any other occurrences which are or may be detrimental to health or safety, or which involve Center's consumers and/or Contractor's equipment or personnel. Further, Contractor shall require all of its personnel to report any concerns, problems or incidents relating to consumers' well-being or behavior during the provision of services, and Contractor shall communicate such reports in writing to Center within one (1) working day of the occurrence of the problem or incident.

6.2.3 Follow-Up Reporting for All Events and Incidents. Contractor shall provide any additional follow-up information concerning an accident/incident as may be requested by Center or Broker/Designee.

6.3 Other Record-Keeping and Consumer Monitoring.

6.3.1 If in Contractor's opinion the health and/or safety of a consumer, or others, may be jeopardized, Contractor shall verbally communicate such concerns to the Broker or Center as soon as possible, and in writing within one (1) working day of the event.

6.3.2 In accordance with 17 CCR, Section 58521 (Consumer Information), Contractor shall assure that all of its personnel maintain, and keep confidential, all consumer information received from Center, and utilize such information only as necessary to provide safe and effective Transportation Services.

6.4 Vendor Disclosure Statement. Upon the execution of this Agreement, and at all other times upon Center's request, Contractor shall complete, sign and deliver to Center a Vendor Disclosure Statement (DDS Form DS 1891). Contractor shall also submit an updated signed and dated DS 1891 Form to Center within thirty (30) days of any change in the information previously submitted pursuant to this Section 6.4.

6.5 Electronic Billing. Contractor shall use electronic billing under DDS's Regional Center e-Billing System Web application for all of Contractor's invoices to

Center under this Agreement, as set forth in Welfare and Institutions Code (“WIC”), Section 4641.5(a)(1) through (2).

6.6 Contractor Reviews and Audits

- 6.6.1 This Section 6.6 shall only apply if all payments Contractor cumulatively receives from Center and other regional centers during Contractor’s fiscal year (as determined on the commencement date of this Agreement) equals or exceeds Five Hundred Thousand Dollars (\$500,000).
- 6.6.2 Contractor shall, at Center’s request and at Contractor’s cost, cause an independent Certified Public Accountant to annually (1) provide either an independent review report of Contractor’s financial statements when the amount received from the regional centers during Contractor’s fiscal year is more than or equal to five hundred thousand dollars (\$500,000), but less than two million dollars (\$2,000,000), or provide an independent audit if the amount received from regional centers during Contractor’s fiscal year is equal to or more than two million dollars (\$2,000,000); and (2) provide a copy of either the review results (the “**Review Report**”) or the annual audit results (the “**Audit Report**”) to Center.
- 6.6.3 If Contractor engages an independent Certified Public Accountant to review (but not audit) CONTRACTOR’s financial statements, (i) the review shall, at minimum, comply with the provisions set forth in WIC, Section 4652.5(e) and (ii) the Review Report shall, at minimum, comply with the provisions set forth in WIC, Section 4652.5(f).
- 6.6.4 Contractor shall complete the audit or review within nine (9) months after the end of Contractor’s fiscal year, and submit to Center pursuant to WIC, Section 4652.5(b).
- 6.6.5 In accordance with WIC, Section 4652.5(b), Contractor shall provide copies of the independent Audit Report or Review Report to Center within 30 days after completion of the audit or review.
- 6.6.6 If Center believes that any issues identified in the Audit Report or Review Report have an impact on services Contractor provides to Center’s Consumers, Center will so notify Contractor and provide Contractor with 30 days to resolve such issues. Contractor’s failure to resolve such issues to Center’s reasonable satisfaction within such 30-day period shall constitute a material breach of this Agreement. As a result of such uncured breach, Center may, among its other remedies, terminate this Agreement.
- 6.6.7 If Center does not find any issues in Contractor’s prior year Audit Report or Review Report, Contractor may apply, in writing, to

Center for a two-year exemption from the independent Audit Report or Review Report.

7. PLANNING, ROUTING AND SCHEDULING.

Contractor shall provide the following services to Center at all times during the term of this Agreement:

7.1 Route Implementation:

- 7.1.1 Contractor shall receive from Center, via its Broker/Designee, all route sheets and schedules for the provision of authorized services described herein. All routes and schedules are subject to continuous approval and revision by Center.
- 7.1.2 Route sheets shall identify all consumers to be transported. Route sheets shall include the name of each consumer, the order of pickup or delivery, pickup and delivery address, the program/site to which each consumer is assigned, the scheduled arrival and departure times of vehicles assigned, vehicle requirements, and an indication of whether or not any consumer requires an Attendant or other special service or equipment.
- 7.1.3 Contractor shall implement each route exactly as established by the Broker.
- 7.1.4 The Broker shall also supply additional route documentation as mutually agreed upon to support Contractor in the implementation of the routes.
- 7.1.5 In the development and implementation of the authorized routes and schedules, the Broker and Contractor shall take into consideration and be responsive to the special needs of Center's consumers, including health and safety needs, as observed by Contractor and as conveyed by designated representatives of Center and by consumers and care providers themselves.
- 7.1.6 Contractor shall advise or communicate any of its concerns about the safety, efficiency or effectiveness of any route to Center or Broker in a timely fashion.
- 7.1.7 Routing and scheduling shall be aimed at providing the optimum mix of efficient, effective and high quality services, as determined by Center in its sole and absolute discretion. In the absence of other objectives articulated by Center, Contractor shall strive in cooperation with Center to reduce total Vehicle Service Hours and individual and average consumer ride times to the minimum necessary for safe transportation.

- 7.2 Contacts with Consumers, Families, Care Providers, Programs, Broker and Center Staff. While Center and the Broker are the primary contacts for consumers and the community concerning the scope and quality of Contractor's services, Contractor's personnel shall also be available for contacts with Center or Broker staff, program personnel, counselors, consumers and families or guardians as necessary for the safe and efficient provision of services and the resolution of problems.
- 7.3 General Transportation Planning Assistance. Contractor shall cooperate with and assist Center and Broker in planning for the transportation needs of Center's consumers under this Agreement, and in accommodating changes in eligibility, program hours, location of consumers' origins and/or destinations, or other variables affecting the provision of services as described herein.
- 7.4 Grievance Procedure. At the beginning of the term, Contractor shall provide to Center, as part of Contractor's Program Design, a copy of Contractor's written internal procedure to resolve consumer grievances in accordance with the provisions of 17 CCR, Section 50608(c) (Contract Duties and Responsibilities). Contractor shall also provide to Center all revisions to such grievance procedure as they are implemented.

8. OPERATIONS.

- 8.1 Type and Condition of Vehicle Fleet.
- 8.1.1 Center's consumers may be transported in a combination of lift-equipped and non-lift-equipped vehicles as long as Contractor provides lift-equipped vehicles for all routes requiring lift access. Contractor shall insure that all vehicles shall be Qualified Vehicles (as defined in Section 8.8.1 below) and in excellent mechanical and safe operating condition during the entire term of this Agreement.
- 8.1.2 Contractor shall submit to Center, for advance approval and acceptance, the design, year and mileage of any vehicle Contractor proposes to furnish, including replacement or substitute vehicles. A vehicle offered which, in the opinion of Center, is not suitable for its intended use, shall be removed from service and immediately replaced by Contractor with a vehicle of a design acceptable to Center at no additional cost to Center.
- 8.1.3 Contractor shall insure a sufficient number of spare vehicles are always available to substitute for regularly deployed vehicles so that no interruption in services pursuant to this Agreement shall be experienced as a result of insufficient vehicles.
- 8.1.4 Before any services are rendered by Contractor under this Agreement, and at all times during the term of this Agreement: (1) Contractor shall provide

and maintain vehicles, including spares, which meet all legal requirements, including the California Highway Patrol annual terminal inspection pursuant to California Vehicle Code, Sections 34501(c) and (e), as such statute may be amended; and (2) Contractor shall submit all vehicles to an annual inspection as required by the California Highway Patrol, Motor Carrier Division. Contractor shall cause copies of such inspection reports, and documentation that any items cited for repair or completion have been satisfactorily addressed, to be immediately forwarded to Center and the Broker.

8.2 Equipment. All vehicles deployed by Contractor in Transportation Services shall be equipped as follows:

- 8.2.1 Contractor shall insure that lifts and appropriate tie-downs are available on all vehicles needed to transport Center's consumers dependent upon wheelchairs for their general mobility. All lift-equipped vehicles used under this Agreement shall be equipped with dual batteries in which the lift battery shall be isolated from the vehicle ignition system.
- 8.2.2 All vehicles, including spare vehicles, and Contractor's dispatch office shall be equipped with functioning two-way communications equipment (which equipment may be a mobile phone), which is fully capable of both sending and receiving messages to and from Contractor's dispatch personnel. No vehicle with communications equipment which has not been fully functional for an aggregate of 48 workday hours or more shall be placed in service under this Agreement until such equipment is, in the opinion of Center or Broker, again fully operational. Contractor shall maintain, repair and replace such equipment at Contractor's expense.
- 8.2.3 All vehicles, including spare vehicles, shall be equipped with heat and air-conditioning in good working order.
- 8.2.4 All vehicle equipment shall at all times comply with all applicable State, Federal and local vehicle codes and specifications.
- 8.2.5 If, during the term of this Agreement, any modification or installation of equipment is required due to a change in the Federal, State or local law or applicable rules and regulations promulgated pursuant thereof, Contractor shall promptly make such modification or installation as required. Contractor shall bear all costs of such modification or installation. Contractor may at its option present its proposed costs to Center prior to expenditure. Center, in its sole discretion, may elect to share in such costs.
- 8.2.6 Contractor shall provide seat belts for all passengers, and on all vehicles. Drivers shall require consumers to use seat belts on vehicles.

- 8.2.7 Shoulder harnesses or other special devices that may be required due to the unique needs of an individual consumer being transported shall be provided by Contractor upon prior written authorization by Center. Center shall bear the additional costs of such devices, and these costs shall not be included in the calculation of the approved Contractor rate.
- 8.2.8 Contractor shall insure all children under the age of 8 must be secured in a car seat or booster seat in a back seat of a vehicle, although children under the age of 8 who are 4' 9" or taller may be secured by a safety belt in the back seat. Children who are 8 years and over shall be properly secured in an appropriate child passenger restraint system or safety belt. Car seats for such purposes shall be provided by Contractor, in clean condition and good working order. All car seats must conform to federal standards for use in motor vehicles, must have been manufactured after January 1, 2021 and are subject to approval by Center.
- 8.3 Maintenance and Cleaning. All vehicles and equipment must be clean and in good functional, safe working order, and Contractor must maintain such vehicles as such on a regular basis.
- 8.3.1 Prior to beginning their daily routes, each driver shall conduct and record a daily standardized safety inspection of their vehicles and related equipment used in the provision of services under this Agreement utilizing a checklist substantially in the form attached hereto as Attachment C. Contractor shall also perform periodic inspections and shall record such inspections and their results in accordance with its then-current policies and procedures. At any time on at least 90 days advance notice from Center, Contractor shall update the checklist to include additional items reasonably requested by the Broker.
- 8.3.2 Contractor shall perform regular preventive maintenance on all vehicles deployed under this Agreement.
- 8.3.3 Vehicles shall be clean and sanitary and shall have a good exterior and interior appearance during the term of this Agreement.
- 8.4 Facilities and Other Equipment.
- 8.4.1 Contractor shall maintain in reasonable proximity to Center's service area adequate parking, maintenance, planning, operational, and administrative facilities, and the equipment required to provide efficient and safe Transportation Services, to fulfill all reporting and other requirements pursuant to this Agreement.
- 8.4.2 Contractor shall have appropriate equipment, as identified by the Broker, to electronically receive timely route information from the Broker.

- 8.4.3 If Contractor needs to relocate its operations and/or vehicle storage facilities during the term of this Agreement, any relocation shall be planned with at least 30 days advance notice to Center and shall be mutually agreed upon, with consideration given to any impact of the relocation upon the cost and quality of services hereunder.
- 8.4.4 If Contractor's main radio dispatch system fails to operate at any time, Contractor shall promptly notify Broker and Center of such event, as well as when the system is again properly functioning.
- 8.5 Personnel: Drivers/Attendants. All drivers and Attendants assigned to service responsibilities pursuant to this Agreement shall be subject to the continuous approval of Center as to conformance with the requirements of this Agreement. Center therefore reserves the right to require that Contractor's personnel be re-assigned or not assigned to services under this Agreement if Center has any legal or service-related concerns. Contractor shall require that all drivers and Attendants shall meet the following qualifications, requirements and conditions:
- 8.5.1 All drivers shall have and maintain a valid California commercial driver's license with a Passenger Vehicle endorsement pursuant to the California Vehicle Code, Section 12500.
- 8.5.2 All drivers and Attendants shall have any other valid clearance, approval or permit as required by law prior to assignment to any route including, if applicable, a medical certificate pursuant to California Vehicle Code, Section 12804.
- 8.5.3 All drivers shall obtain a vehicle for developmentally disabled persons ("VDDP") certificate.
- 8.5.4 Contractor shall adhere to the Federal drug and alcohol testing requirements for all drivers and Attendants.
- 8.5.5 All drivers and Attendants shall be at least 21 years of age and, to the best of Contractor's knowledge, be in good physical and mental health at all times when driving or riding in vehicles.
- 8.5.6 All drivers and Attendants shall be well groomed and shall wear Contractor-provided identification at all times when driving or riding in vehicles.
- 8.5.7 All drivers and Attendants shall have adequate command of the English language for communicating with consumers, families, program staff and/or emergency personnel. When bilingual drivers or Attendants are available, it is desirable that they be assigned on routes serving consumers

or families who primarily speak the other languages in which the driver/Attendant may be fluent.

- 8.5.8 All drivers shall be in possession of GPS technology or a map of the service area, appropriate route lists and have a working timepiece or vehicle clock when driving on a route. Contractor shall assure that each driver can read and comprehend the GPS technology, maps and routes provided.
- 8.5.9 All drivers and Attendants shall be courteous and interact with consumers, families and program destination staff in a positive and professional manner. Contractor recognizes that personnel who have contact with consumers and families must be of a stable personality and high moral character for the protection of consumers. Contractor shall not allow any person to drive a vehicle or be an Attendant who it knows or has reason to know is not, at the time, in a condition of mental and emotional stability.
- 8.5.10 Contractor shall implement during the term a pre-employment screening program satisfactory to Center, which shall include appropriate reference checks, a California Department of Motor Vehicles (DMV) check and pre-employment drug screening. Such screening information shall be placed in the driver's permanent driver record, which shall be maintained by Contractor.
- 8.5.11 Contractor shall review driver and Attendant performance at least once each year for the purpose of observing their actual performance with respect to:
1. safety and mechanical operation;
 2. conformance with laws, policies and regulations;
 3. adherence to established routes and schedules;
 4. quality of service to consumers; and
 5. other factors inherent in determining compliance with required operating practices.
- 8.5.12 Copies of the driver and Attendant reviews shall be maintained by Contractor in its permanent employee record during the term of each person's employment by Contractor and one (1) year thereafter, and shall be available for review by Center upon request. All drivers and Attendants assigned to perform services under this Agreement shall maintain a minimum evaluation rating of satisfactory in all of Contractor's evaluation categories, which shall be a part of Contractor's Program Design.
- 8.5.13 Contractor shall participate in the DMV 'pull notice' program for all drivers and Attendants. Such reports shall be reviewed prepared by

Contractor, reviewed by the Broker and filed by Contractor. In accordance with 17 CCR, Section 58520.(d) (Standards for Drivers and Transportation Aides), Contractor shall, at a minimum, require that each driver it hires has not been convicted of (1) driving under the influence of alcoholic beverage or any drug or a combination of the two pursuant to California Vehicle Code, Sections 23152 and 23153 within five (5) years immediately preceding employment, or at any time during employment, or (2) reckless driving, or speed contest pursuant to California Vehicle Code, Sections 23103, 23104 and 23109 within three (3) years immediately preceding employment, or at any time during employment.

- 8.5.14 Use of tobacco, alcohol or illegal drugs by a driver or Attendant on a vehicle, or while in Center's service, is prohibited. Firearms, knives and other weapons are also prohibited on said vehicles, and when detected, Contractor shall take immediate action in accordance with applicable laws.
- 8.5.15 Contractor shall establish and maintain a legally compliant drug testing program for all drivers and Attendants providing services hereunder, which shall include pre-employment and random testing. No driver or Attendant who tests positive for illegal drug use shall be assigned to provide services under this Agreement.
- 8.5.16 Any driver or Attendant reported as having committed any verbal or physical abuse of a consumer, or any potential felony while on duty, shall be subject to suspension by Contractor pending investigation. Contractor shall immediately terminate any driver or Attendant who has actually committed any consumer abuse or felony while on duty.
- 8.5.17 Center shall identify specific consumers or sites which need or require an Attendant and shall authorize the number of hours per day for the utilization of Attendants for such consumers and sites. This number shall be designated in writing to Contractor and reviewed periodically by Center. Consumers or sites which require an Attendant at all specified times will be identified in writing as a part of the total Attendant Service Hours authorized by Center.
- 8.5.18 Contractor shall assure an Attendant is provided for each site or route on which a consumer identified by Center as requiring such an Attendant is riding. Center shall endeavor to provide five (5) business days' advance notice to Contractor. Contractor shall also comply with the daily assignment of needed Attendants to other routes.
- 8.5.19 Contractor shall designate and monitor appropriate seating for Attendants on vehicles, in order to give optimum attention and supervision to consumers designated by Center as requiring Attendants.

8.6 Personnel: Administration, Supervision & Operations.

8.6.1 Contractor shall maintain personnel as required for effective management, supervision and operation of the Transportation Services provided to Center under this Agreement. This shall include the availability of personnel to receive and place telephone calls, to monitor/dispatch the service during the hours consumers are being transported, and to respond to emergencies within a reasonable period of time.

8.6.2 In addition to such other management and supervisory personnel as may be required to perform services hereunder, Contractor shall assure that one (1) person shall be available during all operating hours for the purpose of monitoring service delivery and with the authority to act on behalf of Contractor.

8.6.3 The management of the day-to-day operations of services performed by Contractor under this Agreement shall be vested in a Project Manager, who shall be an experienced transportation professional. The Project Manager shall function as the primary contact person for the service, and shall be knowledgeable in all areas of the project. The Project Manager shall be subject to approval by Center.

8.6.4 Contractor shall maintain (a) a standby work force, including back-up drivers equal to at least 10 percent of Contractor's total driver work force, as well as back-up Attendants, as may be required, and (b) one (1) spare vehicle, to assure that Center's consumers are transported as scheduled during the entire term of this Agreement. The cost of maintaining a standby work force and spare vehicles shall be borne by Contractor, and is included in the calculation for the rate of reimbursement as presented in the Payment Agreements.

8.6.5 Contractor shall insure its personnel are knowledgeable about all service expectations under this Agreement.

8.7 Training. Contractor shall be responsible for all driver and Attendant training necessary for the safe and efficient provision of services under this Agreement. The scope of training includes, but is not limited to, new staff orientation and training, review/renewal training, in-service training and remedial training.

8.7.1 Initial orientation shall consist of at least 40 hours of Contractor instruction (for new drivers) and at least 20 hours of Contractor instruction (for new Attendants) prior to assignment to a route. The initial orientation and on-going in-service training for drivers and Attendants shall include the following as applicable:

1. defensive driving;

2. safety program;
3. cardio-pulmonary resuscitation;
4. emergency first aid;
5. GPS technology, map reading and service area orientation;
6. consumer and cultural sensitivity;
7. overview of developmental disabilities and the regional center service system;
8. epilepsy and seizure procedures;
9. passenger assistance and supervision;
10. vehicle handling and care;
11. reporting and documentation; and
12. consumer confidentiality.

8.7.2 Pre-qualified (that is, licensed and experienced) drivers and Attendants hired by Contractor shall be fully evaluated and have, at minimum, ten hours of refresher training and orientation before Contractor assigns such person to a route.

8.7.3 In accordance with 17 CCR, Section 58520(b)(2) (Standards for Drivers and Transportation Aides), all drivers and Attendants shall demonstrate competence in the use of wheelchairs, lifts, ramps, tie-downs and other equipment used for transporting, boarding and exiting consumers who use wheelchairs or other assistive devices.

8.7.4 Drivers or Attendants who are required to physically assist consumers in and out of vehicles shall have individual training in assisting and positioning techniques and treatment of consumers who require assistance. Such personnel shall be physically capable of performing any required physical assistance.

8.7.5 Whenever possible, new drivers may first serve as Attendants on routes consistent with the authorized use of Attendants as specified in this Agreement.

8.7.6 Whenever possible, drivers and Attendants shall be assigned regularly to the same route.

8.7.7 Drivers shall review, and practice as dry runs, changed or unfamiliar routes (or sections of routes) prior to providing actual passenger service along such routes. All costs for dry runs shall be borne by Contractor.

8.7.8 CONTRACTOR shall maintain a safety program for drivers and Attendants. Such safety program shall be published yearly and approved by Center.

8.8 Specifications of Qualified Vehicles. Subject to the provision in Section 8.8.1(a) below, the specifications for the vehicles Contractor will use to transport the Center's consumers are listed on Contractor's Vehicle Specifications attached hereto as **Attachment D**

8.8.1 Qualified Vehicles. Contractor represents that at all times during the term of this Agreement, each vehicle it uses to transport Center's consumers shall be a "**Qualified Vehicle**". To qualify as a "Qualified Vehicle", the vehicles must comply with all of the following conditions:

- (a) Contractor shall ensure all of the vehicles transporting Center's consumers are new (model year 2016 or newer). Contractor may continue to use such vehicles as long as they comply with the standards in Section 8.8.1(c) below;
- (b) During the term, no individual vehicle assigned to routes shall exceed the following miles of usage: (i) 350,000 miles, for gas vehicles; (ii) 400,000 miles, for diesel vehicles; and (iii) 350,000 miles, for propane vehicles; and
- (c) Contractor may use spare vehicles, but only (i) for back up service, (ii) on routes with an AM or PM segment only, (iii) if the average age of the spare vehicle fleet is not more than 12 years old and each such vehicle is no more than 12 years old and (iv) if the average mileage of the spare vehicle fleet does not exceed 350,000 miles of usage and each such vehicle has no more than 350,000 miles of usage; and
- (d) If a vehicle which is seven (7) years or older has more than three (3) of the same type of mechanical breakdowns in any 30 day period, such vehicle shall no longer be considered a Qualified Vehicle, and Contractor shall promptly replace such vehicle with a Qualified Vehicle; and
- (e) Contractor shall provide sufficient Qualified Vehicles at all times to operate those routes selected by Center, and to perform scheduled maintenance on its vehicles at the same time.

8.8.2 Additional Vehicles. Within 14 calendar days after a request by Center or the Broker (an "**Additional Vehicle Request**"), Contractor shall add the number of vehicles which Center or the Broker estimates will be required to accommodate (1) increases in the number of consumers using Contractor's services and/or (2) additional vehicle routes which may be added by Center or Broker (collectively, the "**Additional Vehicles**"). provided, however, Contractor shall have no obligation to provide Additional Vehicles prior to Month 1, CCYY. Contractor may temporarily add used vehicles to the fleet in response to an Additional Vehicle

Request, as long as such used vehicles are (i) reasonably approved in advance by Center and (ii) replaced by Contractor with new vehicles within 180 days after Contractor's receipt of the Additional Vehicle Request. When added to the fleet, the age of any Additional Vehicle shall be not more than six (6) years old, the mileage of any Additional Vehicle shall not exceed 160,000 miles and both parties shall reasonably agree on such vehicle's Replacement Date (the "¶ 8.8.2 Restrictions");. In any event, Contractor shall not add vehicles to the fleet that have been damaged or involved in an accident. Each time Center requests Contractor to add an Additional Vehicle, Contractor shall promptly provide Center with a copy of Contractor's vehicle order form, which shall show both the order date and the expected delivery date of the Additional Vehicle.

- 8.8.3 ON-BOARD VIDEO/AUDIO SYSTEM. At the request of Center, all vehicles must be equipped with on-board digital cameras with video and audio system capacity. The Contractor shall be responsible for the procurement of the system (hardware and software) installation cost and ongoing maintenance. The on-board video and audio system must be reliable and secure to support the following capabilities: a) capture and record on-board activity for incident investigation, and b) feature to automatically download on-board recorded footage or stream live footage from any installed vehicle camera, and c) provide access of the digital video-audio recordings to Center and/or its Broker.

9. SERVICE DESCRIPTION AND QUALITY REQUIREMENTS.

In the performance of service under this Agreement, Contractor shall conform to the following parameters of service design and quality:

- 9.1 Days and Hours of Operation. During the term of this Agreement, service shall be provided five (5) days per week, Monday through Friday, except for those days designated by Center as holidays. Contractor is not obligated to transport to programs on weekends or days designated by Center as holidays, but may do so if mutually agreed upon by Center and Contractor.
- 9.2 The specific authorized operating hours of each vehicle on each operating day shall be determined by Center via its Broker/Designee in accordance with the needs of Center, such that route efficiency is maximized and overall Vehicle Service Hours minimized.
- 9.3 Contractor shall maintain 95 percent or greater on-time performance on a daily basis as defined in this Section 9. Contractor shall maintain such level of performance during all days of routine traffic, all types of weather and consumer/program delays, but this performance level shall not apply when

lateness is caused by events beyond the control of Contractor which affect the entire service system, as determined by Center in its sole and absolute discretion.

- 9.4 Actual delivery or drop off of a consumer to a program for purposes of on-time performance shall not be earlier than 15 minutes before nor later than 15 minutes after the scheduled program start time, and the actual program pick-up shall not be more than 15 minutes after the scheduled program end time, unless specific approval is given by Center.
- 9.5 Contractor's dispatch personnel shall notify the Broker when it appears any vehicle will be arriving more than 15 minutes behind schedule, so that Broker may notify consumers and sites as appropriate. Contractor shall provide such notification to the Broker prior to or by the scheduled route time. Contractor will continually maintain contact with the Broker during operating hours to advise of delays in arrival projections and to enable the Broker to keep families and sites advised as appropriate to each applicable situation.
- 9.6 Passengers shall not be picked up for a program more than 10 minutes ahead of the scheduled pick up time, unless the passenger is ready to be picked up. Passengers shall not be dropped off from a program more than 10 minutes ahead of the scheduled drop off time, unless the passenger may be delivered safely at the drop off in accordance with their needs and will be met by a responsible adult as referenced in this Agreement. Drivers arriving prior to the scheduled times will be instructed to wait until the scheduled time unless passengers are ready and available for early pick-up, or can be delivered safely, as applicable.
- 9.7 All vehicles shall have sufficient fuel to complete one (1) full route. However, if an instance ever occurs where a vehicle is refueled with passengers on board, Contractor shall report such fact to Center and the Broker on the same day that the incident occurs.
- 9.8 Contractor shall promptly investigate and, if warranted, take action to resolve any allegations or complaints regarding the behavior and conduct of any driver or other personnel which does not conform to the provisions of this Agreement.
- 9.9 All infants under the age of three (3) years shall be transported if requested by Center, but only if accompanied by an adult family member or their responsible adult designee, unless otherwise authorized in writing by Center. Siblings of infants shall be transported with the adult and infant upon request, but only with advance request and authorization from Center to Contractor, and only if appropriate seats are available in the vehicle in accordance with the requirements in Section 8.2.8 above. Unless the driver has clear authorization on the route log or from dispatch, siblings are not to be boarded or transported.

- 9.10 Consumers requiring release into the custody of a responsible adult in accordance with the provisions of this Agreement shall not be released if Contractor cannot determine that a responsible adult is present.
- 9.11 If an appropriate adult is not available after the completion of the entire route on which the consumer is riding, Center or Broker/Designee shall be contacted to assess the individual consumer's situation and to identify appropriate action concerning the delivery of the consumer, including the identification of an alternate location to potentially receive the consumer. The Broker shall be available on call during regular hours of Contractor's service operation. If Center or Broker cannot be contacted, Center's on call personnel shall be contacted utilizing Center's twenty-four (24) hour emergency answering service procedure.
- 9.12 No vehicle shall depart from a stop until the driver has determined that all consumer seat belts and wheelchair tie-downs have been appropriately secured.
- 9.13 Center may at any time authorize an adult to ride on a vehicle as an authorized passenger for the purposes of observing services or accompanying a consumer as part of the normal course of service, as long as a seat is available on the vehicle.
- 9.14 Contractor shall maintain a safety program for personnel, which shall be made available for review by Center or Broker. Contractor must prepare a transportation safety policy containing procedures for personnel to follow to ensure the safe transport of passengers as prescribed. Policy must include: (a) Procedures to ensure that an individual served is not left unattended onboard the vehicle; (b) Classroom instruction to cover post-trip inspection procedures that ensure that individuals served are not left unattended onboard the vehicle. Record of such training must be signed-off and verified by Safety and Training Manager; and (c) Notification to be provided to Center via its Broker/Designee when a driver has left an individual unattended onboard after the driver's employer has ordered and upheld disciplinary action against the driver for the driver's actions and has made a finding that the driver's actions constituted negligence. Such safety program shall be published yearly and approved by Center through its Broker/Designee.
- 9.15 Contractor shall cause each consumer passenger to have free access to a mobile phone app, which will show them the location of their vehicle on a map using the GPS data from each vehicle.
- 9.16 Contractor shall ensure that each vehicle is equipped with an interior audio/video system to record the interior of the vehicle. Each vehicle will have three cameras. Contractor shall comply with all privacy and other laws relating to its use of such equipment, and shall provide consumers all legally required notices and disclosures to ensure their privacy is protected at all times. Audio/video shall be stored on the memory card until it is full, at which point it will begin recording over the oldest data. Contractor represents that about three to four weeks of data

shall be stored at all times. Contractor hereby assigns to NLACRC exclusive ownership and use of all audio/video produced by such audio/video system. Contractor will provide copies of all video and audio clips to NLACRC within 72 hours of request.

10. IMPLEMENTATION OF ROUTES.

- 10.1 Contractor shall implement changes to routes, as requested by and supplied by Center via its Broker/Designee, within the following parameters:
 - 10.1.1 Contractor shall suspend or delete service for a consumer the next working day following notification from Center or Broker.
 - 10.1.2 Contractor shall implement routine changes or additions to routes (such as new consumer(s) added to a route, changes of address, changes of program or changes of schedule) on the date identified for change, as long as Contractor receives such change at least one (1) full working day in advance of requested service (unless otherwise agreed upon with Center or Broker).
 - 10.1.3 Contractor shall implement major changes (such as additional routes, totally or substantially redesigned routes) on the date identified for change, as long as Contractor receives such change at least five (5) full working days in advance of requested service (unless otherwise agreed upon with Center or Broker).
 - 10.1.4 Contractor may take daily consumer trip cancellations for the same day directly from consumer's family or residential provider or program, and Contractor shall advise the Broker daily of such requests. Requests made to Contractor for a 'hold' of more than 1 day, or for service termination, must be referred by Contractor to the Broker and authorized by Center before the request may be implemented by Contractor.
 - 10.1.5 Contractor will report any unexplained "no shows" to the Broker on a daily basis.
 - 10.1.6 Decreased service hours or increased service of any amount resulting from program, service and/or consumer population changes shall be deemed an ordinary part of this Agreement, and Contractor shall adjust and implement schedules and vehicle deployment levels and plans accordingly.
- 10.2 Contractor shall not provide any service for individual consumers unless authorized by Center or the Broker/Designee.

- 10.3 Payment to Contractor for services shall be made only for services authorized by Center or Broker/Designee.
- 10.4 It is the responsibility of Contractor to lawfully maintain orderly conduct on all vehicles transporting Center consumers, consistent with legally allowable actions and reasonable Center directives, without the threat or use of physical force and with due regard for the rights and dignity of the individual.
- 10.5 Contractor shall report any unresolved incidents of conduct, or issues of health and safety which can reasonably be expected to recur, to Center and Broker in accordance with the reporting provisions of this Agreement.
- 10.6 Contractor shall not refuse service, or terminate, or otherwise suspend, Transportation Services for any consumer without prior approval of Center or Broker Designee, except to the extent allowed under 17 CCR, Section 58522.
- 10.7 Contractor shall release all consumers only to the custody of a responsible adult, unless otherwise specified in writing by Center or the consumer's family.

11. COMPENSATION AND FISCAL PROVISIONS.

11.1 Compensation.

- 11.1.1 In consideration for Contractor's provision of services described in this Agreement, Center agrees to pay Contractor in accordance with the rates identified on the Payment Agreements attached hereto as Attachment A. Notwithstanding the foregoing, Contractor's right to payment is subject to any required review and approval of this Agreement by (i) DDS in accordance with 17 CCR, if applicable and (ii) Center's Board of Directors under WIC, Section 4625.5. Payment terms net 30 days.
- 11.1.2 The maximum total amount payable by Center to Contractor under the full term of this Agreement shall not exceed the amounts identified in the Payment Agreements.
- 11.1.3 Center's payment to Contractor shall be only for authorized services rendered pursuant to this Agreement.
- 11.1.4 The cost of Contractor's total monthly billing shall be allocated by Center, based on proportionate actual cost or formula distribution, among Center, other sponsoring regional centers and/or other funding sources, based on the number of authorized consumers transported for each center or funding source.
- 11.1.5 Payments to Contractor shall be calculated and payable by Center monthly in arrears, contingent upon Center's receipt of a properly documented

invoice with service information as required by the provisions of this Agreement.

- 11.1.6 For each properly documented invoice received by Center by the sixth working day of the month following Contractor's month of service, Center shall issue payment by the 20th day of the same month. Properly documented invoices received by Center after the sixth working day of the month may be subject to payment by Center after the 20th day of the month, but in no case later than the 20th day of the following month.
- 11.1.7 In accordance with 17 CCR, Section 54326(a)(12), (General Requirements for Vendors and Regional Centers), the money paid by Center (or other regional centers) to Contractor for providing its services to authorized consumers shall be the total compensation to which Contractor shall be entitled for performance of this Agreement and its requirements. Contractor shall make no additional charges or billings beyond this Agreement to regional center consumers or families, without prior review and approval of Center. This provision shall not be construed to apply to the pro-rating of the billing or charging of private fees for other riders who are not funded by regional centers.
- 11.1.8 In accordance with 17 CCR, Section 50609(d) (Contract Fiscal Provisions), consideration paid by Center to Contractor, as provided herein, shall be the total compensation for performance of the contract and its requirements, unless otherwise expressly provided.
- 11.1.9 Notwithstanding any provision in this Agreement to the contrary, in accordance with 17 CCR, Section 50609(c) (Contract Fiscal Provisions), the obligation of Center to make payments under this Agreement is contingent upon Center receiving and continuing to receive funds from the DDS for the purpose of making such payments. Thus, for example, if insufficient funds for any fiscal year's payments are appropriated through DDS, or Center's contract with the State is not renewed, or if insufficient funds are allocated to Center such that Center determines that it is in its best interest to discontinue or reduce Transportation Services, then the affected service under this Agreement shall be terminated or modified proportionately by Center, upon 60 days written notice to Contractor.
- 11.1.10 If Center questions any portion of a billing by CONTRACTOR as to proper documentation or authorization, then Center reserves the right either to issue a partial payment (thereby holding the amount in question, pending resolution), to issue payment and subsequently adjust a future payment pending resolution, or to do both. Center shall not, however withhold total payment of any properly documented invoice if only a portion of the amount is in question. Center shall identify to Contractor

any disputed item and/or reasons for a withheld payment along with the issuance of the undisputed payment.

11.2 Legislative Payment Reduction. Notwithstanding anything in this Agreement to the contrary, all of the Rates of Payment described in the Payment Agreements are subject to payment reductions that may in the future be implemented by the California State Legislature, as such reductions may be further increased or reduced, and will remain in effect until withdrawn by the State of California. If a payment reduction is implemented, Contractor may elect to terminate this Agreement with 60 days' notice to Center.

11.3 Increases in the Rate of Payment. Center will enter into good faith negotiations with Contractor about increasing the Rates of Payment, consistent with State law and regulations in effect at such time, upon Contractor's request. Contractor will have the right to terminate this Agreement, with twelve (12) months notice, if a mutually acceptable agreement to increase rates cannot be reached.

11.4 Method of Determination of Units of Services and Rates

11.4.1 The basis for the establishment of the Rate of Payment is identified and described in the Payment Agreements. In accordance with 17 CCR, Sections 50609(a)(3)(A) and (b)(1) (Contract Fiscal Provisions), the Payment Agreements reflects the necessary fiscal and program related data and mathematical computations used to establish the rates of payment per unit of service.

11.4.2 In accordance with 17 CCR, Section 50609(b)(1)(A) (Contract Fiscal Provisions), Contractor and Center attest that they have come to a full understanding and agreement as to the methods to be used in accumulating the data to be contained in Contractor's documentation concerning costs, units of service and billing. Contractor further attests that these methods are and/or will be used to accumulate any and all data contained in Contractor's documentation.

11.4.3 In accordance with 17 CCR, Section 50609(b)(1)(B) (Contract Fiscal Provisions), Contractor attests that its program and fiscal documentation utilized in its rates calculations is complete and accurate to the best of Contractor's knowledge, supported by records and source documentation, prepared with the instructions provided by Center and the DDS and subject to audit. While Contractor's expenditure of resources under this Agreement may not follow exactly the pattern and breakdown proposed, Contractor assures Center that the total resources expended by Contractor shall be at least equal to those for which Contractor is reimbursed.

11.5 Calculation of Billable Units of Service.

11.5.1 Authorized Vehicle Service Hours:

- (a) Subject to the terms of the Payment Agreements, Center via its Broker/Designee shall assign an authorized number of Vehicle Service Hours per day to each authorized route at the time the routes are developed by Center and provided to Contractor. Additionally, on a daily basis, Broker may authorize additional Vehicle Service Hours to cover individual consumer situations not encompassed by the authorized services and routes, and which shall be paid by Center pursuant to the terms of the Payment Agreements.
- (b) Center shall compensate Contractor for authorized Vehicle Service Hours, as provided herein. Contractor shall bear the costs for other additional vehicle or staff time, such as time for vehicle safety checks, Deadhead Miles, refueling (other than as expressly provided in the Payment Agreements), staff training, dry runs, backup, and vehicle out-of-service time. Such costs have already been built into the calculated Vehicle Service Hour rate.
- (c) The total authorized Vehicle Service Hours encompass all normal transportation operations. Therefore, Contractor is not entitled to any additional compensation for normal traffic delays and other delays in the course of its service. However, Center will authorize additional compensation to Contractor (at the Rates of Payment set forth in the Payment Agreements) if Center determines that the events that caused the delays were unexpected, unavoidable and beyond the reasonable control of Contractor.
- (d) The Vehicle Service Hours authorized by Center are the maximum number of Vehicle Service Hours to be billed monthly by Contractor to Center, except as approved by Center pursuant to Paragraph 11.5.1(c) above.

11.5.2 Authorized Attendant Service Hours:

- (a) Attendant Service Hours (as defined and measured in Paragraph 3.12 above) shall be calculated only for the route on which the Attendant is assigned and present.
- (b) Contractor's total billing for Attendant Service Hours shall not exceed the maximum number of hours which Center authorizes monthly for Attendant services, in accordance with the provisions of this Agreement.

11.5.3 Fractional Hours. Fractional hours are to be billed and paid as provided in the Payment Agreements.

11.5.4 No Downward Adjustments for Completed Routes. Center shall not make any downward adjustment in Vehicle Service Hours for routes completed by Contractor in less than the authorized number of service hours, as long as Contractor fully executes the route.

11.5.5 Procedures for Adjustment of Authorized Service Hours:

- (a) Center via the Broker/Designee shall furnish Contractor with an authorized number of Vehicle Service Hours and Attendant Service Hours at the time each route is transmitted to Contractor, plus a final monthly summary which shall include any daily additions to service hours authorized by the Broker during the month.
- (b) The Broker shall provide to Contractor a final monthly summary of all authorized Vehicle Service Hours and Attendant Service Hours by the first working day of the following month. This monthly report of authorized Vehicle Service Hours and Attendant Service Hours shall serve as the documentation for Contractor's monthly invoice to Center for authorized service hours.
- (c) If Contractor believes the Broker's calculation of authorized Vehicle Service Hours or Attendant Service Hours is incorrect, Contractor shall present a written request to the Broker with supporting documentation within five (5) working days of Contractor's receipt of the Broker's final monthly summary of service hours. If Contractor fails to present such a written request to the broker within such time period, it shall be conclusively presumed that Contractor accepts and does not dispute the Broker's service hour assessment.
- (d) Any billing adjustments not reconciled between Contractor and the Broker/Designee will be determined by Center's Executive Director or designated staff of Center, whose decision will be final and binding on Contractor.

11.6 LIQUIDATED DAMAGES FOR FAILURE OF CONTRACTOR TO MEET MINIMUM PERFORMANCE CRITERIA. Because of the nature of the services to be provided by Contractor pursuant to the terms of this Agreement, the parties agree that it would be impractical or extremely difficult to accurately quantify the actual damages incurred by Center resulting from the failure of Contractor to adequately provide certain services required under this Agreement. Therefore, to

compensate Center for its damages resulting from Contractor's inadequate performance of certain services under this Agreement, Contractor agrees to pay, and Center agrees to accept, liquidated damages in lieu of actual damages. The parties agree that the sum of liquidated damages as described below is a fair and reasonable estimate of Center's actual damages under such circumstances.

11.6.1 Notwithstanding anything to the contrary in this Section 11.6, Center's right to liquidated damages as provided herein shall be in addition to and not in lieu of Center's other rights resulting from Contractor's breach of its obligations hereunder. Center retains the right to pursue its other remedies, including termination of this Agreement, as a result of Contractor's breach of this Agreement.

11.6.2 For any of the following violations, Center may assess \$50.00 per day per incident as liquidated damages:

- (a) Contractor fails to transport an approved consumer due to error of Contractor, including but not limited to instances of: (i) Contractor's failure to process a trip hold or cancellation correctly, resulting in the wrong date or the wrong consumer being canceled; or (ii) Contractor's failure to process and clearly document a bona fide consumer 'no show', including driver radioing dispatch office for confirmation and instructions in a questionable situation, which results in any consumers being left behind; or (iii) Contractor's failure to properly reinstate a consumer formerly placed on hold (however, this shall not apply to a new trip request when information provided by Center to Contractor is incorrect).
- (b) Contractor fails to provide an Attendant on a vehicle, or at a site, where any consumers identified in accordance with the provisions of this Agreement as requiring an Attendant are scheduled to ride, and as a result such consumers ride without an Attendant or fail to ride in the vehicle.
- (c) A vehicle on a route is more than 45 minutes but less than 61 minutes late to a stop, or late by such time period in the aggregate to a series of stops.

11.6.3 For any of the following violations, Center may assess \$100.00 per day per incident as liquidated damages:

- (a) A vehicle arrives at a destination and discharges consumers more than 15 minutes early.

- (b) Contractor fails to provide legally required number of wheelchair tie-down securement devices on a vehicle, or otherwise fails to properly secure a wheelchair.
- (c) A vehicle on a route is more than 60 minutes and less than 91 minutes late to a stop, or late by such time period in the aggregate to a series of stops.

11.6.4 Center will not assess liquidated damages for lateness under Paragraphs 11.6.2(c) or 11.6.3(c) during a calendar month in which 95 percent of all routes operated by Contractor are on time (although Center may still assess liquidated damages under the remaining paragraphs of Sections 11.6.2 and 11.6.3, and under Paragraphs 11.6.5 and 11.6.6, during such month).

11.6.5 Center may assess as liquidated damages: (1) \$150.00 per day per incident if a vehicle on a route is more than 90 minutes and less than 121 minutes late to a stop, or late by such time period in the aggregate to a series of stops; and (2) \$200.00 per day per incident if a vehicle on a route is more than 120 minutes late to a stop, or late by such time period in the aggregate to a series of stops.

11.6.6 If any vehicles or routes are operating more than 15 minutes behind schedule during any day and for any reason, Contractor must provide Broker with notice of such delay at least 15 minutes prior to the originally scheduled pick up or drop off time (the “**Notification Deadline**”), so that Broker can so notify the affected consumer and others of the expected delay. Each time Contractor fails to notify Broker of an applicable vehicle or route delay by the applicable Notification Deadline, Center shall assess the sum of \$100.00 against Contractor as liquidated damages.

11.6.7 Center will not assess liquidated damages when Contractor delays are caused by conditions beyond the reasonable control of Contractor and which affect the entire service system, as determined by Center or Broker/Designee in its reasonable discretion.

11.6.8 Center or its Broker/Designee shall notify Contractor in writing of any occurrence described in this Section 11.6 resulting in an assessment of liquidated damages.

11.6.9 Center may offset the amount of such liquidated damages from any payment otherwise due or to become due by Center to Contractor.

11.6.10 If Contractor chooses to respond to any of the liquidated damage assessments, it shall do so within five (5) working days of Center’s or its Broker/Designees delivery of notice of the assessment to Contractor.

Assessments will be forwarded to Contractor within five (5) working days of its occurrence. If Contractor fails to respond to Center in writing within such time period, it shall be conclusively presumed that Contractor accepts and does not dispute Center's assessment of such liquidated damages. Center will not demand payment of (or offset from payments otherwise due to Contractor) such liquidated damages until after the expiration of this five (5) day period, plus any additional time required for final resolution. However, Center may hold aside from payments otherwise due to Contractor an amount equal to any disputed sum of liquidated damages, pending resolution of such dispute.

12. MONITORING, INSPECTIONS AND AUDIT PROVISIONS.

12.1 For purposes of audit and inspection in accordance with this Agreement, Center and Contractor specifically agree to utilize and be bound by 17 CCR, Subchapter 6, (Service Provider Accountability) in accordance with the following Sections (as they may be amended from time to time):

- 50602. Definitions;
- 50603. Access to Service Provider Records;
- 50604. Service Provider Record Maintenance Requirements;
- 50605. Service Provider Record Retention Requirements; and
- 50606. Regional Center Auditing Requirements.

12.2 Contractor shall maintain all records pertaining to the provision of services to consumers in accordance with this Agreement and with 17 CCR, Section 50604, for a minimum period of five (5) years after the later of (i) the date of Contractor's receipt of final payment from Center for the applicable State fiscal year or (ii) the resolution of any audit pertaining to Contractor's services under this Agreement. During the term of this Agreement, such records shall be maintained at the following place of business of the Contractor: 14663 Keswick Street, Van Nuys, CA 91405. Such records shall not be removed from such place of business of Contractor without Contractor's prior written notification to Center, and Center's reasonable approval of the new location.

12.3 As provided by 17 CCR, Section 58523(b) (Vendor records), Contractor shall also retain the following specific records:

- This Agreement;
- Special Incident reports;
- The safety compliance rating issued by the California Highway Patrol pursuant to Title 13, California Code of Regulations, Section 1233;
- All maintenance records of vehicles used in providing transportation service to Center's consumers;
- For each driver:

- Documentation of valid driver's license issued by the Department of Motor Vehicles in accordance with California Vehicle Code, Section 12500;
 - A Traffic Point Count as produced by the Department of Motor Vehicles in accordance with California Vehicle Code, Section 12810;
 - A medical certificate as required by the Department of Motor Vehicles pursuant to California Vehicle Code, Section 12804, if applicable; and
 - Documentation of all driver orientation and training.
- 12.4 Center, the DDS and any authorized representative of Center shall have the right to audit, monitor and inspect Contractor's records, equipment and facilities used in the provision of services under this Agreement at any reasonable time.
- 12.4.1 Center's rights described in this Section 12 shall not be limited by a requirement of prior notice, but Center's access to and inspection of Contractor's records, equipment and facilities without prior notice shall be limited to situations where Center or the Department of Developmental Services determines that the purpose of the access and inspection would be thwarted if advance notice were given. Center's right of access shall not be limited to the required record retention period specified in Paragraph 12.2.
- 12.4.2 As part of its inspection rights, Center reserves the right to require Contractor to remove any vehicle from service if Center believes the vehicle is not in safe or legal condition, and until satisfactory documentation is provided by Contractor to Center as to the safe and legal condition of the vehicle.
- 12.5 Contractor agrees to utilize and be bound by 17 CCR, Subchapter 7, (Fiscal Audit Appeals), Sections 50700 through 50767, and WIC, Section 4648.2, should Contractor elect to appeal any of Center's or DDS's audit findings and/or recommendations.
- 12.6 Contractor agrees to accept financial liability for any audit findings and/or recommendations disclosed by audit and agrees to promptly repay amounts owed within 30 days of request, unless appealed and repayment is stayed pursuant to 17 CCR, Section 50705 (Recovery of Overpayments).
- 12.7 Center, including its agents and its Broker/Designee, reserves the right to monitor all areas of Contractor's performance of services under this Agreement, including, but not limited to, taking the following actions: boarding vehicles or riding on vehicles during service periods if seats are available, observing at pick-up and drop-off locations, observing dispatch operations, observing driver training, observing vehicle condition, and reviewing operations, safety and maintenance records.

- 12.8 Center reserves the right to thoroughly investigate all accidents/incidents, including Special Incidents. The scope of Center's investigation includes requesting additional information and reports concerning any accidents/incidents as described in Sections 6.2 and 6.3 of this Agreement.
- 12.9 If Contractor enters into any service agreements with third parties to perform work under this Agreement, Contractor shall include all the requirements of this Section 12 in any such service agreements, and Center shall be a third party beneficiary to such provisions in such service agreements. Such service agreements are also subject to approval of Center in accordance with Paragraph 23.1 below.
- 12.10 Quarterly Performance Reviews. Center's quarterly performance reviews shall include a review of Contractor's performance in accordance with all standards and requirements of this Agreement, with emphasis on Contractor's performance under Sections 6 (Administration and Reporting), 7 (Planning, Routing and Scheduling), 8 (Operations), 9 (Service Description and Quality Requirements) and 10 (Implementation of Routes).
- 12.10.1 In addition, five (5) or more occurrences of any combination of the following during a quarter shall result in the issuance by Center of an unsatisfactory rating:
- (a) A vehicle refuels in route with consumers on board, or a vehicle runs out of fuel in route.
 - (b) Operable seat belts, tie-downs or other required special equipment, such as infant seats, are not available for use on a route for passengers requiring them.
 - (c) The dispatch office does not have communications equipment in operating condition for more than 48 hours, or a vehicle does not contain communications equipment, or a vehicle is in service for more than 48 hours without operable communications equipment.
 - (d) Contractor fails to report a Special Incident as required by law and the provisions of this Agreement.
 - (e) Contractor drops off a consumer requiring release only into responsible custody as described in this Agreement, without determining that such responsible custody is available at the point of the drop-off.
 - (f) Contractor fails to review and document the required training or review of driver and Attendant performance in accordance with this Agreement.

- (g) The driver and/or Attendant fails to safely and legally secure a wheelchair, or to fasten, or assure the proper fastening of, seat belts or other special equipment prior to a vehicle's departure from any consumer pick-up.
- (h) Contractor fails to maintain a vehicle in a safe, clean and sanitary condition, as specified by the provisions of this Agreement.
- (i) Contractor fails to provide adequate personnel or vehicles to implement all routes as assigned, or refuses to provide authorized transportation as set forth in this Agreement. Notwithstanding the foregoing, Contractor shall have the right to temporarily suspend individual consumers for purposes of health and/or safety of the consumer, driver or others on board, pending resolution of such suspension with Center, as long as Contractor provides Center with proper and timely notification of such action.
- (j) Failure of Contractor to timely provide reports to Center as required by the provisions of this Agreement.
- (k) Failure of Contractor to transport an approved consumer due to error of Contractor or its agents or employees.

12.10.2 The occurrence of one (1) or more of the following during a quarter shall result in the issuance by Center of an unsatisfactory rating:

- (a) Contractor's deployment of a vehicle which has failed a CHP inspection, without proper repair.
- (b) Contractor's assignment of a driver who does not have a valid driver's license.
- (c) Contractor's assignment of a driver who does not possess the legally-required qualifications to operate the assigned vehicle.
- (d) Contractor's failure to maintain insurance in the amount specified by the provisions of this Agreement.
- (e) Contractor's failure to take appropriate and timely action to investigate and to safeguard consumer health and safety promptly after Contractor learns of (i) an allegation of abuse to or by a consumer or (ii) the commission of a potential felony violation by a driver or Attendant while on duty.

13. TERMINATION.

13.1 This Agreement may be terminated by Center at any time with notice to Contractor, without prejudice to any other right or remedy of Center, if Center determines that grounds for termination of this Agreement exist. Such grounds for termination include the existence of any of the following:

13.1.1 Contractor has not complied with any provisions of this Agreement or the terms of any purchase of service authorization. Examples of Contractor's noncompliance with this Agreement include, but are not limited to, Contractor's refusal or failure to provide: (a) equipment or personnel at the times and in the quantities required by this Agreement; (b) adequately equipped vehicles and properly trained personnel; and (c) its Self-Certification under Paragraph 4.2 above; or

13.1.2 Contractor has not complied with any of the vendorization requirements in 17 CCR, Section 54370(b)(1) through (9). For purposes of this Paragraph 13.1.2, Contractor's failure to maintain the insurance required by this Agreement constitutes Contractor's failure to comply with vendorization requirements under 17 CCR, Section 54370(b)(1) and (b)(4); or

13.1.3 Contractor has not complied with (1) applicable Federal or State regulations, (2) local ordinances or (3) statutes governing (a) Contractor's service program hereunder or (b) the provision of services to persons with developmental disabilities; or

13.1.4 Contractor has filed for bankruptcy, and such claim has not been dismissed within 90 days, or Contractor has made a general assignment for the benefit of creditors, or a receiver is appointed as a result of Contractor's alleged insolvency; or

13.1.5 Contractor has received an unsatisfactory rating by Center under either Section 4.2 or Section 12.10 of this Agreement.

13.2 If Center determines that conditions exist which constitute grounds for termination of this Agreement (including, but not limited to the foregoing conditions), Center or its authorized representative shall notify Contractor in writing.

13.2.1 If the basis for terminating this Agreement is based on an event other than those events described in Paragraph 13.1.2 above, Center shall deliver its termination notification by certified mail to Contractor 30 days in advance of termination of this Agreement, in accordance with the requirements set forth in 17 CCR, Section 50611 and WIC, Section 4710. Neither Center nor Contractor shall terminate this Agreement without complying with the requirements set forth by applicable statutes and regulations including, but not limited to, WIC, Sections 4502, 4646, 4646.3, 4648, 4710 and 4741.

- (a) Such written notification shall contain the reason or reasons for Center's intention to terminate this Agreement. Unless Contractor, within 30 days after service of such notice, (1) causes the condition or violation to cease, (2) remits the payment owed under Paragraph 13.3 below and (3) makes arrangements consistent with the terms of this Agreement and satisfactory to Center for the correction of the violation (including but not limited to accepting reassigned routes with new contingencies imposed by the Broker, if applicable), this Agreement shall terminate upon the expiration of such 30 day period, and Center shall have no further obligation hereunder.

13.2.2 If the basis for terminating this Agreement is based on any of those events described in Paragraph 13.1.2 above, Center shall deliver its termination notification to Contractor by registered return receipt requested mail so that it is received at least one (1) working day in advance of termination of this Agreement, in accordance with the requirements (and containing the information) set forth in 17 CCR, Sections 54370(b) and (d). This Agreement shall not terminate if Contractor takes either of the following actions prior to the expiration of the period stated in the termination notice: (1) corrects the violation(s) to Center's satisfaction (including but not limited to accepting reassigned routes with new contingencies imposed by the Broker, if applicable) and provides documentation of the correction to Center, along with any payment owed to Center under Paragraph 13.3 below; or (2) files an appeal in accordance with 17 CCR, Section 54380.

13.2.3 Pursuant to 17 CCR, Section 54370(e)(2), Contractor's filing of any request for hearing or appeal shall not preclude Center from withdrawing purchase of service authorizations under this Agreement if Center believes such withdrawal is necessary to protect the health, safety and welfare of its consumers.

13.2.4 After this Agreement terminates, Center will pay for all of Contractor's services performed prior to the date of termination, subject to Center's offset rights as allowed under this Agreement and by applicable law. Center will remit such payment within 30 days after Center's receipt of Contractor's invoice for such services.

13.3 At those times when Contractor fails to provide (or fails to adequately provide) the services, vehicles or personnel required under this Agreement, Center may immediately secure such services from any third party, whether or not Center has provided a notice of termination to Contractor. If the cost of securing such services is greater than the cost of the service set forth herein, and if Center believes such securing of new services is necessary to protect the health, safety and welfare of its consumers, then Contractor shall be liable for such excess costs

for the lesser of (1) the time period until Contractor again provides the services required under this Agreement or (2) the unexpired term of this Agreement, from the time such new services shall commence. In addition, Contractor shall be liable for any other damages sustained by Center with respect to such default. Contractor may terminate the Agreement on 60 days' notice for reduction of payment rates or failure to pay monthly invoices within 30 days of receipt.

13.4 Notwithstanding anything in this Agreement to the contrary, Center has the option to terminate this Agreement at any time without cause on ninety (90) days advance written notice to Contractor.

14. COMPLIANCE WITH APPLICABLE GOVERNING PROVISIONS.

The law of the State of California shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

14.1 Applicable Statutes and Regulations.

14.1.1 Contractor warrants and certifies that, in the performance of this Agreement, it shall comply with all Federal, State and local laws and regulations, including but not limited to (i) Division 2 of 17 CCR and Divisions 3 and 5 of Title 22 of the California Code of Regulations and (ii) Divisions 4.5 and 5 of the California WIC, and (iii) all laws and regulations pertaining to labor, wages, hours and other conditions of employment.

14.1.2 CONTRACTOR specifically agrees to comply with the following Subchapters of 17 CCR, Division 2 (Department of Developmental Services):

- Chapter 3, Subchapter 2 (Vendorization), Section 54326 (General Requirements for Vendors and Regional Centers) and Section 54327 (Requirements for Special Incident Reporting by Vendors).
- Chapter 1, Subchapter 6 (Service Provider Accountability), Sections 50601 - 50612.
- Chapter 1, Subchapter 7 (Fiscal Audit Appeals), Sections 50700-50767.
- Chapter 3, Subchapter 18 (Transportation Service), Sections 58500-58570.

14.1.3 The terms of this Agreement shall not be construed in such a way as to excuse compliance with any existing statutes and regulations.

14.2 Permits and Licenses. Contractor and any agents or employees engaged in the provision of services under this Agreement shall maintain all current permits and

licenses required by law for the operation of its business and shall operate only as permitted under such permits and licenses.

14.3 Nondiscrimination Provisions.

14.3.1 During the performance of this Agreement, Contractor shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall Contractor discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

14.3.2 Contractor shall at all times comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code, §§ 11135-11139), and the regulations or standards adopted by the awarding state agency to implement such article.

14.3.3 Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as such Department or Agency shall require to ascertain compliance with this Section.

14.3.4 Contractor shall give written notice of its obligations under this Section to labor organizations with which it has a collective bargaining or other agreement.

14.3.5 Contractor shall include the nondiscrimination and compliance provisions of this Section in all subcontracts to perform work under this Agreement (subject to Section 23 below).

14.4 HIPAA. Both parties shall at all times comply with the mandatory provisions of the HIPAA Privacy Rule (Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations Part 160 and Part 164, Subparts A & E). Contractor and Center shall also be bound by the Business

Associate Agreement (“**BAA**”) entered into between the parties; such BAA is published on NLACRC's website and incorporated herein by this reference. The hyperlink to the Business Associate Agreement is: <https://www.nlacrc.org/service-providers/policies>.

14.4.1 Within five days after the termination of this Agreement for any reason, Contractor shall (i) return to Center, or destroy, all protected health information concerning Contractor’s Consumers in Contractor’s possession or control and (ii) deliver to Center a Certificate of Return or Destruction of PHI (the “**Certificate**”). Center shall provide a form of the Certificate to Contractor on request.

14.5 Zero Tolerance Policy. Contractor shall at all times comply with Center’s Zero Tolerance Policy; such Policy is published on Center’s website and is incorporated herein by this reference. The hyperlink to the Policy is: <https://www.nlacrc.org/service-providers/policies>.

14.6 HCBS Provider Agreement. Contractor represents and warrants that it has signed the State Department of Health and Human Services’ Home and Community Based-Services Provider Agreement and delivered such signed document to Center.

14.7 Website Link to DDS Consumer Complaint Process. This Section 14.7 is applicable if Contractor has a website. In accordance with WIC, Section 4704.6, Contractor shall conspicuously post on its Internet Web site a hyperlink to the DDS Internet Website page at <http://www.dds.ca.gov/Complaints/Home.cfm> and DDS’s contact information at <http://www.dds.ca.gov/Contacts/Home.cfm>.

14.8 Additional Legislative Restrictions. In accordance with 17 CCR, Section 58524(c)(7) (Transportation Service Contracts), this Agreement is subject to any additional restrictions or conditions enacted by the California Legislature and contained in its annual Budget Act or any other statute enacted by the Legislature which may affect the provisions, terms or funding of this Agreement in any manner.

15. INSURANCE

15.1 Workers’ Compensation Insurance. In accordance with the provision of Section 3700 of the Labor Code of the State of California, Contractor shall maintain Workers’ Compensation insurance at all times during the term of this Agreement;

15.2 Public Liability, Property Damage and Automobile Insurance.

15.2.1 Contractor shall at all times during the term of this Agreement maintain public liability and property damage insurance (including automotive coverage), with endorsements satisfactory to Center and in the amount of

Five Million Dollars (\$5,000,000.00) combined single limit, which shall be primary and non-contributory over any and all valid and collectable insurance which may be available to Center. Contractor shall obtain all necessary endorsements and additional coverages to protect Center against all loss and liability arising out of Contractor's and its employees', representatives' and agents' use of all vehicles, including separate automobile insurance if applicable. Contractor shall obtain "Owned, Non-Owned and Hired Automobile Insurance" for the benefit of Center, each with the limits of liability for bodily injury and property damage as set forth above. Such insurance shall apply on an "any auto" basis. Contractor shall not commence work under this Agreement until it has obtained all required insurance, and certificates of insurance have been delivered to and approved by Center. All of Contractor's insurance carriers shall at all times be licensed to transact the business of insurance in the State of California, shall have a rating of A- and VII or higher in the most current edition of Best's Insurance Guide, and shall be acceptable to Center. All of Contractor's policies or certificates of insurance shall include substantially the following clause:

This policy shall not be canceled, reduced in required limits of liability, or modified as to coverage until written notice has been given to North Los Angeles County Regional Center of such cancellation or reduction by Contractor. The date of cancellation or reduction shall not be less than 30 days after such notice is given (10 days for non-payment).

15.2.2 All of Contractor's insurance (including but not limited to the Owned, Non-Owned and Hired Automobile Insurance) shall contain a Named Insured Endorsement which names North Los Angeles County Regional Center as an additional insured. In addition, each certificate of insurance shall list Center as a named additional insured, shall state the extent of insurance, the locations and operations to which insurance applies and the expiration date of the insurance.

15.2.3 Contractor shall at all times provide Center with current copies of Contractor's insurance certificates. If Contractor fails to provide valid current copies of such certificates, Center may terminate this Agreement as provided in Section 13, and obtain any services to be provided by Contractor hereunder from any other transportation provider.

15.3 Waiver of Subrogation. Contractor's insurance policies shall contain a waiver of subrogation clause for the benefit of Center.

15.4 No Compensation While Uninsured or Underinsured; Remedies Available to Center. If at any time during the term of this Agreement the insurance required pursuant to this Section 15 is canceled, reduced or modified, or is otherwise not in

force, (1) Contractor shall not be entitled to payment for any services rendered during any such time period and (2) Center shall have the option (but not the obligation) to pay any premium necessary to reinstate such insurance to the amounts and coverage required under this Agreement, in which event Center shall deduct such costs from the next sums owed to Contractor.

- 15.5 Policy of Center's Board. Contractor shall in all other respects comply with Center's Board of Trustee's Service Provider Insurance Policy at all times; such Policy is published on Center's website and is incorporated herein by this reference. The hyperlink to the policy is: <https://www.nlacrc.org/service-providers/policies>.

16. INDEMNIFICATION OF CENTER.

- 16.1 Contractor shall indemnify, defend and hold harmless Center and its representatives, officers, directors, agents, and employees and their respective heirs, executors, administrators, successors, and assigns, including but not limited to the State of California and its agents and employees, and Broker (collectively referred to as the "**Regional Center Indemnified Parties**"), from any and all losses, costs, expenses (including but not limited to reasonable attorneys' fees), liabilities, claims, court costs, demands, debts, causes of action, fines, judgments and penalties which arise from or relate to third party claims against Regional Center Indemnified Parties resulting from (a) death or injury to people or damage to property in connection with the negligent or willful acts, errors or omissions of Contractor or its employees, agents, consultants or anyone employed by them to act on their behalf, (b) claims under workers' compensation acts or other employee benefit acts by Contractor's agents or employees, (c) Contractor's failure to fulfill its obligations under this Agreement in strict accordance with its terms, including Contractor's breach of any representations or covenants given in this Agreement or (d) violation of any local, state or federal law, regulation or code by Contractor or by any of Contractor's employees, agents, consultants or subcontractors in connection with the conduct of its activities performed by virtue of this Agreement. Contractor's indemnity obligations in this Paragraph 16.1 shall apply even in the circumstance where the Regional Center Indemnified Parties or any of them are actively negligent; but Contractor's ultimate liability in such instance will be lessened by and Center will be responsible for paying the percentage amount of damage caused by Center's staff gross negligence. Further, Contractor shall have no indemnity obligation (1) where the damage or injury is caused by the sole negligence or intentional misconduct of the Regional Center Indemnified Parties or any of them or (2) to the extent the damage or injury is caused by the gross negligence of the Regional Center Indemnified Parties or any of them.
- 16.2 The indemnity set forth in this Section 16 shall apply during the term of this Agreement and shall also survive the expiration or termination of this Agreement,

until such time as action against the Regional Center Indemnified Parties on account of any matter covered by such indemnity is barred by the applicable statute of limitations. Moreover, this indemnity provision does not apply to any claim or action between the signatories of this Agreement for any alleged failure to fulfill obligations under this Agreement or for any alleged violation of any law, unless a claim or action for such a failure or violation is brought in the first instance by a person or entity not a signatory to this Agreement.

- 16.3 Contractor will assume the defense, at its sole expense, and with legal counsel acceptable to Center, of any claims or litigation as to which it has an indemnification obligation hereunder; Center shall cooperate with Contractor and its counsel, in the defense of any such claims, provided, however, that any costs or expenses associated with such cooperation shall be reimbursed by Contractor. If Contractor fails to assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, Center will have the right to assume its own defense, and Contractor will be obligated to reimburse Center for any and all reasonable expenses (including but not limited to attorneys' fees) incurred in the defense of such claims or litigation, in addition to Contractor's other indemnity obligations thereunder. Contractor shall control the defense and settlement of any claim, provided, however, that if Contractor fails to assume the defense of any claim or litigation as to which it has or is determined to have had the obligation to indemnify, Center shall have such control.

17. AMENDMENTS AND WAIVERS.

- 17.1 Contract Amendments and Modifications. The parties to this Agreement may amend, extend or otherwise modify the scope of services as described herein. However, any such modifications shall not be valid unless they are documented in writing and signed by all parties to this Agreement.
- 17.2 Compliance. Any amendment or modification of this Agreement shall comply with requirements of applicable Federal, State and local statutes and regulations.
- 17.3 Waiver; Cumulative Remedies. The failure of a party to enforce any of its rights by reason of any breach of a covenant by the other party will not constitute a waiver of such breach. No custom or practice which may develop between the parties in the course of administering this Agreement will be construed to waive any party's right to insist upon the performance by the other party of any covenant in this Agreement. A waiver of a particular breach will not be deemed to be a waiver of the same or any other subsequent breach. Center's remedies in this Agreement shall be cumulative and in addition to any other remedies in law or equity.

18. INDEPENDENT CONTRACTOR STATUS.

In accordance with 17 CCR, Section 50607 (Regional Center Contracting Requirements), Contractor agrees that Contractor and any agents and employees retained by Contractor in the provision of services pursuant to this Agreement, act in an independent capacity and are not acting as an officer, employee or agent of Center or the State of California.

19. LIMITATION ON CONTRACTOR'S THIRD PARTY COMMITMENTS.

If during the term of this Agreement Contractor is contemplating entering into other transportation service commitments, and such additional services have a reasonable likelihood of impacting the quality and timeliness of services described herein, Contractor shall (i) advise Center in writing and (ii) provide a plan to Center for preserving the quality of services to Center. Contractor shall not undertake any such commitment unless it has submitted such written plan to Center.

20. ATTORNEYS' FEES AND COSTS.

If any legal action or proceeding is commenced by either party to enforce or interpret any provisions or rights under this Agreement, the unsuccessful party to such action or proceeding (as determined by the court in a final judgment or decree) shall pay the prevailing party its attorneys' fees and costs (including, without limitation, such costs and fees on any appeal). If such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included as part of such judgment.

21. NOTICES.

Except where oral notification is specifically provided for herein, all notices and information of any kind to be given by either party hereto to the other party shall be in writing and shall be deemed delivered (i) upon delivery, if delivered in person, or by email (with return receipt acknowledgement), or (ii) as of the next business day after mailing if delivered by a nationally recognized overnight delivery carrier (e.g., Federal Express) or (iii) three (3) days after same is deposited in the United States Mail, first-class postage prepaid, addressed to the parties at the addresses set forth in Section 1 above, or via email to Contract&Compliance@nlacrc.org, or [email address]. Notices to Center shall be addressed to the attention of the Executive Director of the North Los Angeles County Regional Center. Notices to Contractor shall be addressed to the attention of Mike Ake, Senior Vice President - Operations.

22. FORCE MAJEURE, SERVICE REASSIGNMENTS AND RATIONING.

22.1 All parties herein shall be excused from performance hereunder during the time and to the extent that each is prevented from performing by acts of God, strikes or commandeering of vehicles, materials, products, plants or facilities by the government, when reasonable evidence thereof is presented to the other party.

- 22.2 Center reserves the right to assign any areas covered by this Agreement to another contractor, either in whole or in part, whenever Contractor is unable to perform due to strike of Contractor's employees or such other conditions as are specified in Paragraph 22.1 above. In such event, the assignment will cover the period in which Contractor is unable to perform and will end when Contractor has presented satisfactory evidence to Center that Contractor is again able to perform the work hereunder.
- 22.3 Center shall bear the complete costs for any and all interim service assigned by Center in accordance with Paragraph 22.2.
- 22.4 If Contractor is unable to restore full services and perform the work hereunder within six (6) months of the condition of force majeure, then even though Contractor is not in breach at such time, Center shall then have the right and option to terminate this Agreement in accordance with the provisions in Section 13.2.
- 22.5 In the event of rationing of any product or commodity due to a local, regional or national emergency, Contractor shall give Center high priority with respect to Contractor's other non-Regional Center accounts. The services provided by Contractor hereunder satisfy an important public policy, which is to preserve and protect the rights of individuals with developmental disabilities.
- 22.5.1 Should it become necessary by rationing to curtail Contractor's services, either in whole or in part, it shall be the sole and exclusive right of Center to direct Contractor in the priority and methods of reducing services, including the elimination of routes and rerouting of existing consumers.
- 22.6 In the event Contractor has an insufficient number of vehicles or Attendants to adequately discharge all of its responsibilities under this Agreement at any time, (1) Contractor shall give Center priority over all of Contractor's other non-Regional Center accounts and (2) Contractor shall not allocate any portion of its vehicles or Attendants allocated to Center to any other party without the express written approval of Center. Since the services provided by Contractor hereunder satisfy an important public policy, which is to preserve and protect the rights of individuals with developmental disabilities, Center may specifically enforce its rights under this Paragraph 22.6 by injunctive relief, including a temporary restraining order, a preliminary injunction and a permanent injunction, pending either the full restoration of Contractor's services or the termination of this Agreement by Center.

23. SUBCONTRACTING AND ASSIGNMENTS.

- 23.1 In accordance with 17 CCR, Sections 58524(c)(4) (Transportation Service Contracts), Contractor shall not subcontract any part of the services to be

provided pursuant to this Agreement without prior written approval of Center which may be withheld in Center's reasonable discretion. In addition, Contractor shall not assign its rights in this Agreement. The transfer of 50 percent or more of the equity interest of the ownership of Contractor, either through one (1) transaction or on a cumulative basis, shall be deemed an assignment.

23.2 All terms of this agreement will be binding upon and inure to the benefit of the parties and their respective administrators or executors, successors and assigns. However, nothing in this Paragraph 23.2 shall be construed to modify Paragraph 23.1.

24. CONTRACT INTERPRETATION AND ENFORCEABILITY.

24.1 Severability. If any provision of this Agreement is held to be inoperative, unenforceable or otherwise invalid, the remaining provisions hereof shall be carried into effect without regard to such inoperative, unenforceable or otherwise invalid provision. If any provision is held to be inoperative, unenforceable or otherwise invalid with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

24.2 Interpretation. This Agreement shall not be interpreted against the drafter but shall be interpreted with the understanding that both parties have had input in the final draft of this Agreement.

24.3 Section Headings, Etc. The section headings are not intended to define, limit, extend or interpret the scope of this Agreement or any particular paragraph. The masculine, feminine or neuter gender and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

25. INTEGRATED AGREEMENT; NO TERMS NOT INCLUDED; CONFLICTING PROVISIONS.

This Agreement and its attachments contain all the terms and conditions agreed upon by the parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or bind either of the parties hereto. This Agreement supersedes all prior agreements, representations, and understandings of the parties, either oral or written regarding the subject matter hereof. This Agreement shall not be amended or modified, except in a writing signed by the parties that complies with the requirements of all statutes and regulations applicable to this Agreement. If any conflicts or inconsistencies exist between the provisions in this Agreement and the provisions in any other agreement between the parties, the provisions which are, in Center's reasonable judgment, most protective of the Consumers shall prevail.

26. AUTHORIZED REPRESENTATIVES; COUNTERPARTS; DELIVERY.

Each party represents that the party signing below is an authorized representative of such party and has the authority to bind such party to this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall be considered a single instrument. Signed copies of this Agreement delivered and received by facsimile or as a PDF attachment to an email shall be deemed the same as originals.

This Agreement is valid and effective as of the day and year set forth in Section 4 of this Agreement, subject to any reviews and approvals by the DDS as referenced herein.

Executed in Chatsworth, California as of the date first written above.

“Contractor”:

Vendor Name,
entity

“Center”:

North Los Angeles County Regional Center, Inc.,
a California nonprofit corporation

By: _____
Signatory

By: _____
Ruth Janka, Executive Director

Attachments:

- A – Payment Agreement
- B – Program Design
- C – Vehicle Inspection Form
- D – Vehicle Specifications